

Carter absence from Tito funeral upsets Yugoslavs

Heads of state and world dignitaries gathered in Belgrade to pay their last respects to President Tito at his funeral tomorrow. President Carter's absence has dismayed Yugoslavs, who are concerned that the ceremony should also be treated as a forum for world peace. President Brezhnev is to head a Soviet delegation.

Mr Brezhnev to head Soviet delegation

From Dassa Trevisan
Belgrade, May 6
As scores of thousands of Belgradians file past in silent tribute to President Tito and foreign statesmen are beginning to arrive for the funeral on Thursday, President Carter's decision not to attend the ceremony has raised doubts about the credibility of his repeated assurances to stand by Yugoslavia.

This is further underlined by the announcement that Mr Brezhnev will in person head the Soviet delegation which is being followed by all the members of the Warsaw Pact.

The Soviet decision for Mr Brezhnev to head the delegation, took the Yugoslavs by surprise. They were expecting that the Soviet delegation would be led by a Politbureau member, such as Mr Kirilenko.

The Yugoslavs are not concealing their disappointment that Mr Carter has failed to take the opportunity personally to pay his respects to President Tito.

The Americans have again been upstaged by the Russians, a Yugoslav journalist said. Mr Walter Mondale, the Vice-President of the United States, will lead the American delegation.

China was the first to announce that Chairman Hua Guofeng would lead a delegation. Mr Carter's decision not to attend may have precipitated the Soviet decision to upgrade its own delegation.

Mr Carter has missed an opportunity not only to strengthen relations with Yugoslavia but also to meet statesmen from the non-aligned world, such as Mrs Indira Gandhi, Prime Minister of India, and General Zia ul-Haq, the Pakistani President. This has reinforced the feeling that American diplomacy is in a state of disarray.

To add insult to injury, as one Yugoslav said bitterly, the delegation from the United States will include President Carter's mother, Mrs Lillian Carter.

Yugoslavs feel Mr Carter's presence would have demonstrated that Russia, China and the United States each place equal importance on maintaining Yugoslavia's position.

The importance that the Warsaw Pact countries attach to maintaining their presence is underlined by the fact that even

Mr Todor Zhivkov, the President of Bulgaria, is to attend. He has been trying in vain to arrange a meeting with President Tito for the past 10 years.

Most of the delegations are expected here later today or tomorrow and their 24-hour stay has been planned to provide them with ample opportunity for talks. This is what the Yugoslavs would wish as a final homage to the late President who, already on his death bed, sent messages to President Carter and Mr Brezhnev calling for all efforts to be made to stop the dangerous deterioration in world peace.

Among statesmen and politicians attending the funeral are Mr Qotbzadeh, the Iranian Foreign Minister, and Herr Helmut Schmidt, the West German Chancellor, and his Foreign Minister, Herr Genscher, who are expected to meet their East German counterparts in Belgrade.

British delegation: Mrs Margaret Thatcher leaves London this morning to attend the funeral and will return tomorrow night (our Political Correspondent writes). As opportunity offers, she will have bilateral talks with other visiting foreign statesmen, but a meeting with President Brezhnev and Mr Kossygin of the Soviet Union will not be sought.

The British mourners will also include the Duke of Edinburgh, Lord Carrington, Foreign Secretary, Mr James Callaghan, Opposition leader, Mr David Steel, leader of the Liberal Party; Sir Fitzroy Maclean and Lady Maclean; Sir Dugald Stewart, of Appin and Lady Stewart, and Sir William Deakin, a former warden of St Antony's College, Oxford.

World leaders rather than dignitaries who will attend the funeral include: King Baudouin of Belgium; Dr Kurt Waldheim, Secretary-General of the United Nations; Chancellor Bruno Kreisky, Austria; Vice-President Carlos Rafael Rodriguez, Cuba; Prince Claus, husband of Queen Beatrix of the Netherlands; President Tsatsos, Greece; President Soares, Portugal; President Husak, Czechoslovakia; President al-Assad, Syria; President Sarkis, Lebanon; Mr Raymond Barre, Prime Minister of France; President Sekou Toure, Guinea, and Mme Simone Veil, President of the European Parliament.

Siege action 'goodwill' may aid US hostages

By Hugh Noyes
Parliamentary Correspondent
Westminster

The Prime Minister told the Commons yesterday that the Government was considering fresh initiatives aimed at securing the release of the American hostages in Tehran, in the wake of the goodwill generated by the successful action at the Iranian Embassy in London.

Mrs Margaret Thatcher said that the way the operation was carried out would have an effect on the position of the hostages. There had been exchanges with President Abolmossadegh Bani-Sadr of Iran and the Government was considering how to turn "this superb operation" to the advantage of the American captives.

Mr James Callaghan, leader of the Opposition, urged the Prime Minister to tell the President that it was the responsibility of the Iranian Government to resume control and to secure the release of the American hostages and their return to the United States.

Mrs Thatcher said a message was sent to President Bani-Sadr at the start of the operation, defining what she believed to be the legal responsibility of each and every government to look after the safety of diplomats in their territory.

From all parts of the House came congratulations for the police and the Special Air Service Regiment. There was a great cheer for Mr William Whitelaw, Home Secretary, as he entered the chamber to make his statement.

Mrs Thatcher said the operation was brilliant. The events made everybody proud to be British. The SAS carried out the assault on the embassy with courage and confidence, she said. Mr Callaghan and Mr David Steel, the Liberal leader, praised everyone involved in the operation.

Mr Merlyn Rees, Shadow Home Secretary, said the Government was right to make clear that no Government in Britain would be prepared to offer safe conduct for those who committed criminal acts.

He urged that Lord Carrington, Foreign Secretary, should impress on Middle Eastern embassies that passports should not be given to people who were not their nationals. They should also be reminded that the carriage of arms under diplomatic protection was an unfriendly act.

Mr Rees further asked the Home Secretary to consider the ease with which Iranians could enter Britain.

Mr Whitelaw praised the Metropolitan Police's skill, care and determination.

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SAS rescuers celebrate
Tehran warns West
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BBC man tells of days of capture and the minutes of rescue

By Stewart Tendler

Minutes before the end of the siege at the Iranian Embassy in London the gunmen told the hostages that the body they had thrown out of the building would be followed by another in 45 minutes unless the police met their demands. Mr Harris, one of the hostages, said last night.

Mr Harris, a BBC sound recordist, said in an interview on BBC TV that the hostages heard about the body being thrown from the embassy on the gunmen's portable radio.

It was then that the gunmen announced a second body would be thrown from the building. Mr Harris said that for the first time they were talking positively about transport to take the gunmen out of Britain.

The leader of the gunmen was asked whether he wanted a coach to go to the front door and whether they wanted to meet the Iranian ambassador. Mr Harris said he hoped there would be a safe, peaceful end but the gunmen were troubled by noises in the building. The leader showed Mr Harris a



The shell of the Iranian Embassy yesterday after it was burnt out during the rescue of the hostages.

Photograph by Brian Harris



Mr Harris tried to reassure the gunmen. He and Police Constable Trevor Lock were brought to the telephone because the gunmen now suspected that there would be an attack.

Mr Harris said: "I said don't worry, don't worry. They are not going to do it in broad daylight." The policeman tried to get assurances from the police negotiators who kept asking to talk about the details of the gunmen's exit with their leader.

When the telephone was handed over to the gunmen there was suddenly a cracking of glass from above, followed by darkness and two blasts. Mr Harris got his back against a door and inched into the room.

Throughout the siege the windows of the embassy had been kept covered but Mr Harris could see a chink of daylight. It was a shifter and he looked out.

"In my right," Mr Harris said, "was a man dressed like a frogman. Black mask, black uniform, and boots. He said 'Get down, get down, get down.' I lay down flat. He kicked the windows in and threw two crackers in."

The SAS man was followed by two others. Mr Harris said he felt afraid. He shouted to the men: "Get in there lads and get them."

Mr Harris lay on the floor. He

Continued on page 6, col 2

Compromise on May 14 rejected by Express

By Paul Routledge
Labour Editor

Mr Justice Griffiths will give judgment in the High Court today on an application by publishers of the Daily Express to prevent four print unions from publishing on May 14.

The court was asked yesterday by Mr Thomas Morison, QC, for Express Newspapers Ltd, to rule that union circulars calling on print workers and journalists to stop work on the TUC's "day of action" are unlawful and should be withdrawn.

Towards the close of the hearing, union leaders defending the case drew up new advice to members, repeating their support for the labour movement protest but stating that participation in the proposed one-day strike was purely voluntary and that those who chose to go to work would not be subjected to disciplinary proceedings.

After a brief adjournment, that formula was offered by Mr Mervyn Williams, QC, as a compromise if the court did not grant the order sought by Express Newspapers, but it was not sufficient to get the company to withdraw its application.

Mr Morison insisted that, in the words of the circular sent out by the National Union of Journalists, the purpose of the day of action was "to close down the media for the day" and thus impress the Government with the muscle of the trade union movement, rather than to organize a protest against a particular issue.

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Sweden loses nearly all Europe links as seamen join strike

By Roger Choate
Stockholm, May 6

Ferry and cargo links between Sweden and West Europe were almost completely severed today as seamen joined a general strike.

Almost a quarter of the labour force remained at home for the fifth consecutive day, bringing industrial production to a near halt. Bewildered citizens, stunned by the unexpected strikes, were hearing dwindling supplies of bread, coffee, fruit, liquor and petrol.

Unions served notice that virtually all oil and petrol deliveries would halt on Friday unless there was a breakthrough in wage negotiations.

The Swedish Employers' Federation locked out 750,000 blue-collar workers last Friday after rejection by the Trades Union Federation of a mediation offer. The unions reacted by withdrawing more than 100,000 employees in sensitive positions in the private sector.

The employers' federation, representing most Swedish private firms, yesterday extended the lockout, until May 16, providing a settlement was reached. The seamen's union countered by halting most ferry and cargo services today.

The only remaining link between Sweden and the Continent was the boat train from Helsingborg, south Sweden, and Helsingør, Denmark.

Domestic and international airlinks were severed about two weeks ago. Passengers to Sweden are arriving at Copenhagen and Oslo airports, where special bus services to Sweden await.

Numerous stores were padlocked today, as were hotels and restaurants. Public transport was seriously affected by the closure of the Stockholm underground system and the threat of a national bus strike loomed.

Schools continued to close in selective strikes and most broadcasts were halted by the Swedish Broadcasting Corporation. Indeed, many areas of national life were seriously affected, including postal services, overseas telephone links, surgery and custom services.

Labour and management met today with a government mediation commission, but no apparent progress was achieved. Last week the union federation rejected the commission's mediating offer of a 2.3 per cent wage rise. The offer was accepted by employers. The unionists argued that they could not accept cuts in real income.

Management and government leaders believe that drastic measures are required to reduce Sweden's huge balance of payments deficit and to control inflation.

The Government remained aloof from the negotiations, except to offer a programme, at the request of negotiators, to alleviate inflation and extend tax relief.

Mr Thorbjörn Fälldin, the Prime Minister, told *The Times* he was optimistic that a settlement would be reached soon. "I have an instinctive feeling that things will come to a satisfactory conclusion," he said.

Other political and industrial sources said the strikes were unlikely to last more than a further 10 days but union sources expressed less optimism.

Sweden has not experienced a big industrial upheaval since the general strike of 1909. King Carl Gustaf and Mr Ola Ullsten, the Foreign Minister, were today given a dispensation to fly to President Tito's funeral in Belgrade, a Foreign Ministry spokesman said today.

It is a peculiar situation when the Head of State must ask permission of a union to leave the country," the spokesman said.

A strike-related death occurred yesterday when an ambulance taking a man to hospital was forced to make a lengthy detour after a drawbridge was left open because of the strike. He died in the ambulance.

Many cinemas and gambling houses will close their doors at the end of the week.—
Reuter and UPI.

Detective surrenders after eight years

By John Roper

A Metropolitan Police detective sergeant who absconded while on bail on seven corruption charges, April 1972, surrendered with his solicitor at the Central Criminal Court yesterday.

Det Sergeant John Alexander Symonds, of Thornton Heath, south London, was sent by Judge Clark to Brixton prison on an indefinite bench warrant. He faces a police prosecution.

A warrant for the arrest of Sergeant Symonds was issued by Mr Justice Caudfield at the Central Criminal Court on April 12, 1972, when he failed to surrender to his bail.

Charges had been brought against him after an investigation conducted by two staff reporters of *The Times* in the autumn of 1969. He had been committed for trial on seven charges of corruption involving five men in south-east London.

Mr John Mathew, QC, for the Director of Public Prosecutions, said that Sergeant Symonds had last been seen six or seven weeks previously. Inquiries had disclosed that he had bought a motorized caravan and sold a property for cash.

A woman friend of his had sold a retail shop and the two had gone abroad in the caravan. A return passage had been booked.

Mr Michael Sherrard, QC, for the defence, said that Sergeant Symonds appeared to be worried that his trial should follow so shortly on the heels of another trial in which two police officers were sentenced to terms of imprisonment. That was a reference to judgments on two Scotland Yard detectives found guilty at the Central Criminal Court on charges involving corruption.

Mr Sherrard said that Sergeant Symonds had always been emphatic in his assertion of innocence.

Nato prepares for possible loss of US troops

Dr Joseph Luns, secretary-general of Nato, said that European members are to draw up contingency plans for replacing American troops in Europe in case the United States decides to send its troops to safeguard oil supplies in the Gulf. He described the threat to oil as "hypothetical at this moment".

Hint of easing inflation

The April wholesale price index could indicate easing inflation. Factory gate prices rose by 1.4 per cent and industry's fuel and raw material costs rose by only 0.6 per cent. The annual rate of increase in wholesale prices remains at the 19 per cent recorded in March.

Turner Bequest to get a home

The Turner Bequest of oil paintings and water colours is to have a permanent home in a building next to the Tate Gallery, London, with the help of a £5m gift from the Clure Foundation. Work will begin in 1982 and the gallery will open in 1984.

'Arming' of police

An officer of the special patrol group said at the Blair Peach inquest that it was quite common for police officers to take pickaxe handles and objects of that nature when it was likely that a criminal would be similarly armed.

Actor to pay damages

Damages of £200 were awarded against Mr Kenneth More, the actor, in a libel action brought by Major Donny Angel, a film producer, over passages in Mr More's autobiography, *More or Less*, but Major Angel has to pay the £20,000 costs.

Tameside can abolish grammar schools

Tameside is allowed to abolish its five grammar schools, Mr Mark Carlisle, Secretary of State for Education and Science, announced. It can thus bring about a comprehensive reorganization which has been frustrated since 1965. But the Inner London Education Authority cannot close or amalgamate Highbury Grove comprehensive school in Islington.

Catholic congress: Human face of the Church revealed in final statements at Liverpool meeting

Balloon pioneers: Four Britons aim to fly round the world in 21 days in an effort to make aeronautical history.

Scamps: A two-page Special Report to mark the London 1980 exhibition at Earls Court

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Letters: On Iran and the West, from Sir Barnes, and others; on British Steel's new chairman, from Mr A. Benet, and others.

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Bernard Levin on the controversial return of Charlie Chan; Kenneth Morrison on the break between the Press Council and the National Union of Journalists; William Frankel on the centenary of an influential but little-known Jewish organization; Brian Alderson on children's books.

Football: Tommy Docherty leaves Queens Park Rangers after a year as manager: Cricket: champion ship wins for Northamptonshire

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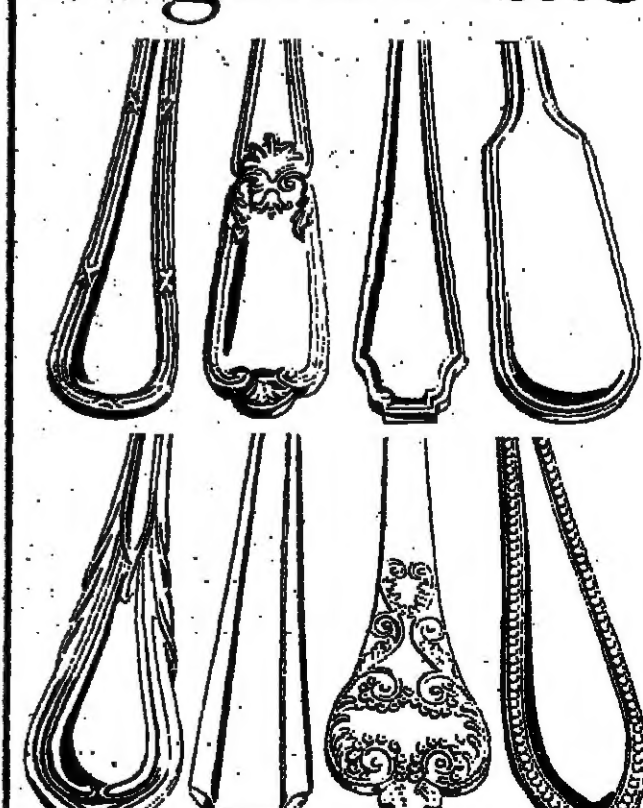
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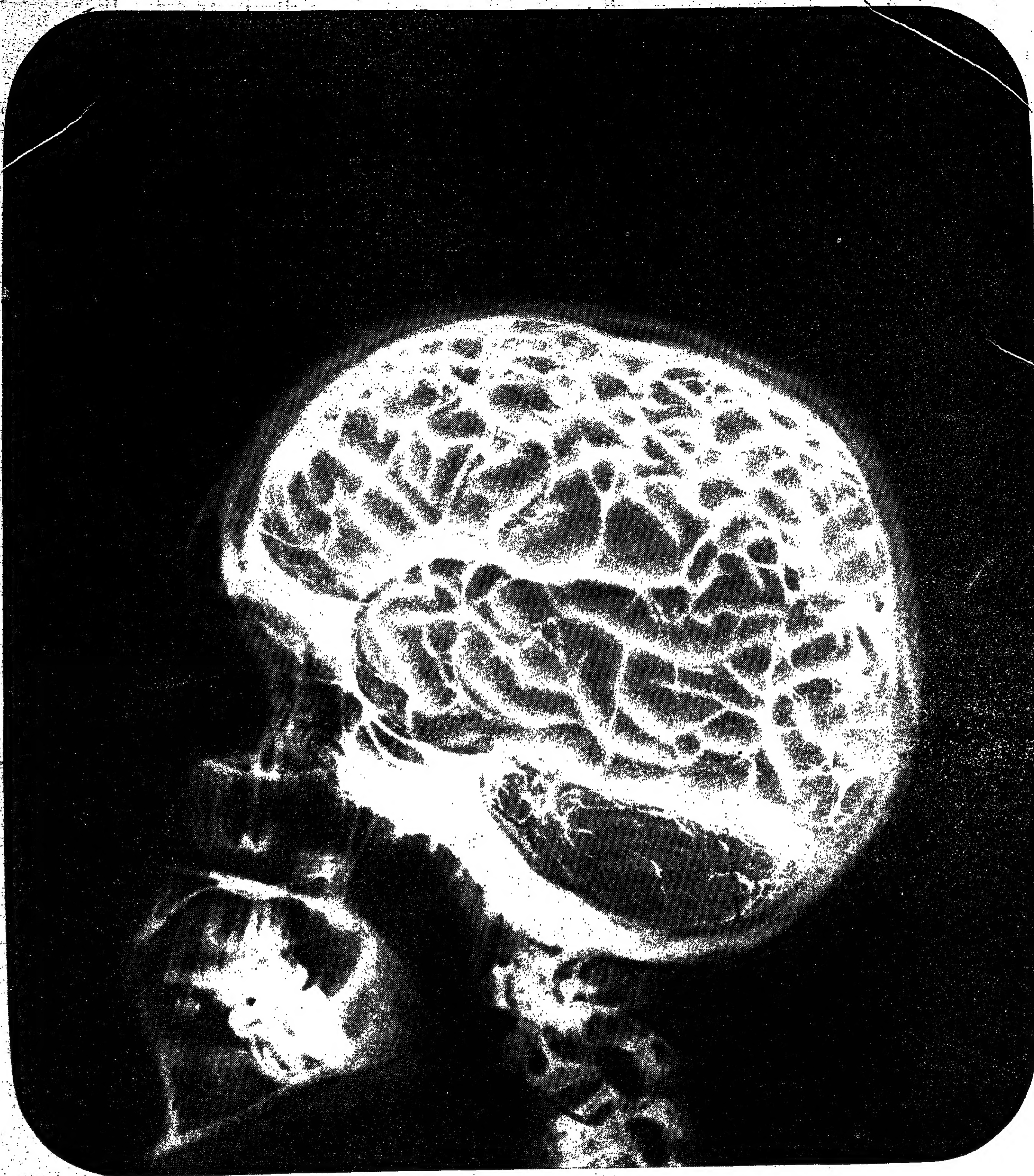


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HOME NEWS

Tameside can abolish grammar schools but ILEA move fails

By Diana Geddes
Education Correspondent

The Government has decided to allow Tameside to abolish its five remaining grammar schools, but to refuse the Inner London Education Authority (ILEA) permission to close or amalgamate Highbury Grove comprehensive school in Islington.

The decision, which was first reported in *The Times* on April 18, is in line with the expressed determination of Mr. Mark Carlisle, Secretary of State for Education and Science, to follow, where possible, local parental wishes. He has always insisted that the Conservatives are neither pro-selection nor anti-comprehensive as such.

In Tameside, Mr. Carlisle's approval of the Labour-controlled council's plans for five grammar schools and 13 secondary modern schools to become 16 comprehensive schools for 11 to 16-year-olds and two sixth-form colleges, brings to an end a saga which began 15 years ago.

Plans for ending selection in Tameside schools were first put forward in 1965 and resubmitted in a revised form by the new Labour council after local government reorganisation in 1974. All schools were due to go comprehensive in September 1976 but the Conservatives threw out the plans when they came to power in May 1978.

An attempt by the Labour government of the day to force Tameside to go ahead with comprehensive reorganisation was ruled unlawful by the House of Lords in *Attorney-General v. Tameside* in 1978. When Labour returned to power in Tameside last May they immediately resubmitted plans for abolishing all selection by next September.

In the local government elections last week, Labour increased its majority on the council from 18 to 35. Councillor Roy Oldham, leader of the council, said yesterday that he was delighted that the years of uncertainty had been brought to an end.

"It is a decision which has been based on educational grounds. There are problems in every form of education and the success of any system depends on the enthusiasm of the people who are running it. I believe the future of all young people in this area will be brighter from today," he said.

In the case of Highbury Grove, the Islington boys' comprehensive of which Dr. Rhodes Boyson, Under Secretary of State for Education and Science, was formerly headmaster, the ILEA had submitted plans for its and the Sir Philip Magnus boys' comprehensive nearby to close and to reopen as a single school on the Highbury Grove site with a greatly reduced intake.

Mr. Carlisle said that while he recognized that in many cases of falling pupil numbers a merger of two schools might be the best solution, he did not consider that it was appropriate in the case of Highbury Grove.

In reaching that conclusion, he had taken into account the strong local support for the school continuing in its present form.

Mr. Carlisle approved the proposed merger of two girls' comprehensives in Islington: Highburn Hill high school and Shelburne girls' school.

Mr. Lawrence Norcross, headmaster of Highbury Grove, who has led a skillful campaign over the past few months to save the school, claimed that its popularity with "left-wing" educationalists in the ILEA arose out of the school's insistence on a traditional approach to education with emphasis on discipline and academic attainment rather than on "vague social improvement".

Highbury Grove is undoubtedly popular with local parents and is always oversubscribed. A petition to the Secretary of State to prevent its closure attracted 26,500 signatures, most from within Islington.

Anger over closure of quango

By Our Education Correspondent

The Government's decision to close the Centre for Information and Advice on Educational Disadvantage has provoked a furious response from Mr. Max Morris, chairman of the centre's governing body.

Mr. Mark Carlisle, Secretary of State for Education and Science, first announced the Government's intention to close the centre in November last year. Continued grant aid from the Government to the centre, a "quango", which this year amounts to £12,000, would not provide value for money he said.

He agreed to reconsider his decision, however, after vociferous protests from Mr. Morris and others. But Mr. Morris said yesterday that the reconsideration had been "entirely spurious".

"An institution devoted to helping disadvantaged children has been deliberately and cruelly murdered by a callous and cynical government department."

Announcing his decision in a Commons written reply yesterday, Mr. Carlisle said he had given careful consideration to the representations he had received from the centre's governors and others.

Examinations threatened: Urgent action is needed to safeguard school examinations on the TUC's day of action on May 14. Mr. David Lodge, secretary of the National Association of Head Teachers, said yesterday (the Press Association reports).

Teachers strike at 24 schools

Nearly 8,000 Nottinghamshire schoolchildren missed lessons yesterday as 24 teachers went on strike in the continuing dispute over class sizes. The teachers will return on Friday.

Last week more than 1,300 children were sent home after 44 teachers were suspended for refusing to take classes of more than 30.

Man alleges police assault

Mr. Francis Dalzell told Liverpool County Court yesterday that he could hardly walk after being beaten by police when he would not admit to an offence. He was thrown into a cell, stripped to his underpants and punched and kicked until he confessed, he said. Mr. Dalzell, aged 28, of Lawrence Road, The Brook, Liverpool, is claiming damages for injuries he received at Heaton Road police station in July, 1978.

Civic Trust drive for larger income

By Our Planning Reporter

The Civic Trust yesterday launched an appeal to commerce and industry for increased financial support. It hopes to increase its annual income from £36,000 to at least £200,000 and to raise a capital reserve of about £300,000.

Mr. Michael Middleton, its director, said that contrary to widespread belief the trust received no government assistance. It was an independent charity founded by a group of public spirited companies and had been maintained entirely by voluntary contributions during

the 23 years of its existence. The number of subscribers and the size of their contributions had grown steadily, but they had not kept pace with inflation. The trust was carrying out greatly expanded duties with appreciably less purchasing power than at the time of its foundation in 1957, Mr. Middleton said.

"We have no empire-building aims. But there are a lot more things we would like to be doing, and inflation is crippling us."

There appears to be no shortage of support. Already 20 of

Minister's refusal to allow extra recruitment this session 'a mistake,' du Cann letter says
Ban on new Commons subcommittees angers Tory MP

By Peter Hennessy

The power of the 14 new House of Commons select committees to establish subcommittees serviced by extra support staff has become the subject of a private and outspoken correspondence between Mr. Edward du Cann, Conservative MP for Tamworth and chairman of the Liaison Committee, representing all select committee chairmen, and Mr. Norman St John-Stevens, Chancellor of the Duchy of Lancaster and Leader of the House.

Mr. St John-Stevens has refused to allow the creation of new subcommittees or the recruitment of additional staff for them during the present session of Parliament and has suggested to Mr. du Cann that the matter might be looked at in the next session. Mr. du Cann is deeply dissatisfied with Mr. St John-Stevens' response, and says in a letter of reply, dated April 17:

"I think it is a mistake not to allow those select committees which wish to establish subcommittees to do so. In my private opinion, it is probable rather than possible that the committees concerned will make motions which the House will pass. I would feel bound to support them, and, as an MP, would every member of the Liaison Committee. I think the proposals I put to you in my letter are extremely reasonable and modest, and I shall be very glad if you will kindly look at the matter again."

The stimulus for the exchange of letters was the desire of the Scottish Affairs, Welsh Affairs and Defence committees, to establish subcommittees. At present the only three committees which have such a right are Treasury and Civil Service, chaired by Mr. du Cann, home affairs, and foreign and Commonwealth.

The Liaison Committee supported the wish of the Scottish and Welsh committees to have two subcommittees, only one of which would be active at any one time. The committee also approved a request from Sir John Langford-Holt, Conservative MP for Shrewsbury and chairman of the defence committee, for a subcommittee and adequate support staff in service it.

Mr. du Cann wrote to Mr. St John-Stevens accordingly on March 6 and April 1. In his reply, dated April 15, Mr. St John-Stevens said:

"I fully recognize the problems that are posed for all these committees, particularly perhaps that in Scottish affairs, by their wide-ranging responsibilities. My own view, however, on consideration, is that, bearing in mind the procedure committee's recommendations regarding the establishment of further permanent subcommittees at this stage, it would be advisable for the House to let the present select committees structure stand for the time being, and to reconsider the overall position, and the possible need for further subcommittees, next session."

As you will appreciate, it is necessary to take into account not only the capacity of the House to service further new subcommittees, but also the potential effect on

departments of their establishment. I believe we should be in a better position next session to judge in the light of experience how the present structure is developing, and whether it might be modified or extended without placing unreasonable burdens on already heavily stretched departments."

In response to the 1978 report of the Select Committee on Procedure, the Government last autumn established 12 new select committees to monitor the work of Whitehall departments and two committees for Scotland and Wales. The Liaison Committee is the negotiating body for the committees with the Government and the House of Commons Commission which dispenses money for staff support and travel.

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Around the world in 21 days at 30,000 ft

By Frances Gibb

The first attempt to fly non-stop around the world in a hot air balloon, taking not 80 but 21 days, is to be made this autumn by a British team of four.

They will attempt a trip of 20,000 nautical miles, more than seven times longer than the record of 2,700 nautical miles set when two Americans beat the British in crossing the Atlantic in a hot-air balloon in 1931.

Mr. Donald Cameron, one of the two who attempted the Atlantic crossing and one of the designers of the balloon to be used this time, will be one of those trying a new kind of ballooning at high altitudes.

He and his colleagues will live in a self-contained pressurized capsule, or gondola, 15ft by 9ft, with an oxygen supply which will enable them to travel at between 30,000 and 35,000ft.

"What it means is that instead of drifting with the weather system, we can go above it and gain speed, at times travelling at up to 100 miles per hour," Mr. Cameron said.

The total weight of the capsule is expected to be 5,000lb, with another 4,000lb of fuel. Thermally insulated, with a control room, sleeping area, micro-wave cooking equipment and will have an open deck on top with a hand rail.

The balloon, with a volume of one million cubic feet, will use helium and hot air. The helium will provide the main lift, and at night, when temperatures fall and its lifting force drops, hot air will be pumped into the balloon with a turbine generator.

The attempt will cost more than £250,000, most of which is being put up by ICI as part of a promotion drive abroad. Other sponsors include British Airways and British Leyland's Range Rover.

About 21 countries will be crossed. The route will be eastwards from West Europe, across the Middle East, the Far East, the north Pacific, the United States and the Atlantic.

The launching is planned for October, from somewhere in France. The landing point is not specified, other than its being east of the starting longitude.

Included in the team will be Mr. Leo Dickinson, an ATV cameraman, who has filmed such adventures as canoeing down the Dudh Kosi river near Mount Everest, and on the ground, Mr. Martin Mullin, whose job it is to advise on the direction of the high-level winds.

A non-stop balloon trip around the world is considered the last great aeronautical challenge.

If successful, the team believe their feat will be ranked alongside the first solo flight and the first single-handed circumnavigation. "The Americans, they believe, are not planning a similar trip, but one on which they have many stops around the world."

Ambulance crisis 'puts lives at risk'

By Annabel Ferriman

Health Services Correspondent

More than a thousand lives are at risk in London each year because of an acute shortage of ambulances, according to a report published yesterday.

The London Ambulance Service is 500 below its established strength of 2,400. It should answer 50 per cent of calls within seven minutes and 95 per cent within 14 minutes, but because of staff shortages, only 32 per cent are answered in seven minutes.

The 18 per cent deficit means that 111,690 calls are not answered in the time specified and assuming that only 1 per cent of those are serious, 1,000 lives are at risk, the report says.

The report, drawn up by the service's conveners committee, predicts that the shortage of staff will reach a crisis in the summer when annual holidays are taken. The authors say that the service will be understaffed then by 35 per cent.

Public expenditure cuts and, in particular, the closure of 17 accident and emergency departments in London during the past 12 years have also affected the service. Emergency patients have to wait further and ambulances take longer on each call.

In addition, many hospitals close their accident departments when no beds are available. On one morning in London last month 17 accident departments were closed temporarily.

The report says that the service has difficulty in recruiting staff because it is the least well paid of the essential services. The weekly pay of an employee with 15 years' service based on a 40-hour week for the police, fire brigade and ambulance is, respectively: £128, £111 and £79. The estimated police pay contains an element for the rent allowance received.

Mr. Vernon Piffner, vice-chairman of the staff side of the London Ambulance Service, said when presenting the report in London yesterday there was a need for fundamental constructive action.

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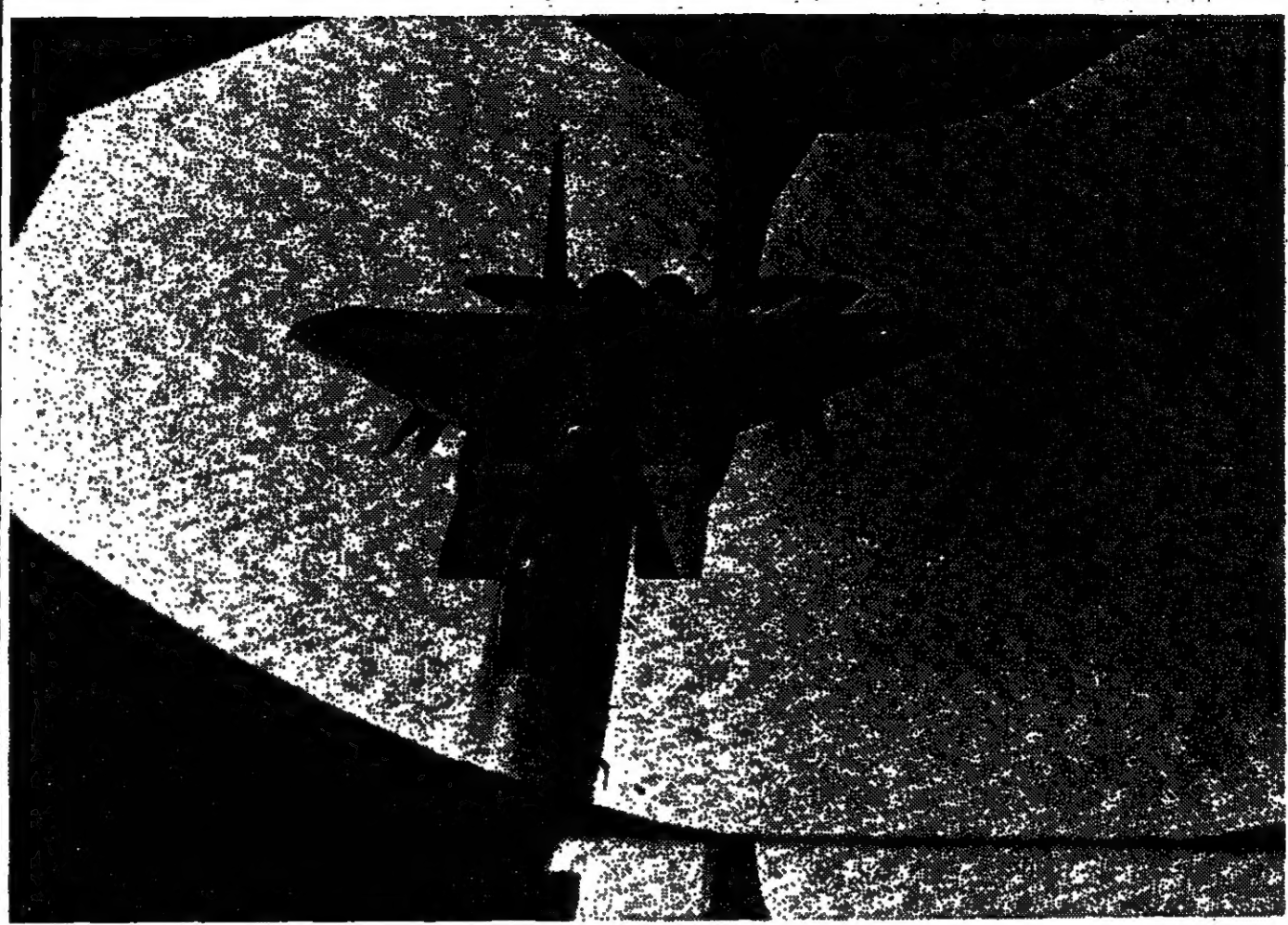
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Photograph by Harry Watt

Aerial top-up: A United States Air Force F-15 Eagle fighter from a West German base being refuelled above the North Sea from a KC-135 tanker aircraft. The tanker (Our Defence Correspondent writes) is one of five stationed at Fairford, Gloucestershire. When it was announced that the

KC-135, converted Boeing 707 aircraft, was to be based there, local protests about noise nuisance were immediate and vociferous. But careful management of the tankers' flight schedules has brought the number of complaints from 15 a month to one or two and often none. Combat aircraft can fly

farther or carry more weapons if they are "topped up" in mid-flight by the KC-135s. It has been estimated that the value of a fighter or strike aircraft can be trebled by in-flight refuelling. But, as the photograph indicates, such refuelling requires skill, experience and concentration.

In brief

Jail for Bank Holiday threats

James Swaine, aged 20, unemployed, of Kelvin Avenue, Bedford, who called the police fascist pigs and gave a Nazi salute during Bank Holiday disturbances on Brighton beach, was jailed for four months by the town's magistrates yesterday.

Mr. Swaine admitted threatening behaviour. He had previous convictions for threatening behaviour, criminal damage and assaulting the police.

The two proposals were announced by Mr. Norman Fowler, Minister of Transport, in London yesterday at the end of a working conference on violence on public transport.

British Rail hopes to have the by-law operating by August, the start of the next football season. It will give the power to announce in advance that drink will be banned on a particular train.

No drink will be on sale at the buffet or in the restaurant car, and no one will be allowed to take alcohol on board. The penalty for breaking the law will be a maximum fine of £50 and there will also be a maximum fine of £50 for anyone accepting alcohol from someone who has unlawfully taken it on a train.

"We think that most of the public will welcome the idea of being able to travel without the problems caused by excessive drinking by a few people," Mr. Basil Nicholas, Assistant Chief Constable (Operations) with British Transport Police, said.

"I do not know yet where else we will use this by-law, but there might be a case for sometimes banning alcohol on late-night weekend trains."

The by-law is being considered

by the Minister of Transport and the Home Office before further talks with Mr. Mr. Fowler can bring it into effect.

The three rail unions are to be asked to halt taking further industrial action in protest against assaults and hooliganism to their members despite warning that attacks on public transport staff are increasing.

Many Underground trains in London have not been running after 10 pm on Friday and Saturday nights in recent weeks through industrial action taken by union members.

The executives of the Associated Society of Locomotive Engineers and Firemen, National Union of Railwaymen, and Transport Salaried Staffs' Association (TSSA) will Association will be urged to wait and see if any action follows yesterday's conference.

Delegates at the conference were told by Mr. Donald Pullen, assistant general secretary of Aslef, that the situation was getting worse every month.

Despite that, Mr. Pullen said he was prepared to recommend no strike action that no more industrial action should be taken and that the members should wait and see if any action resulted from the conference.

Representatives from British Rail, London Transport, local councils and the Football Association.

There were two main areas of concern on the railway staffs were causing trouble for the members. One was the mob violence of Neasden in north London, where a near riot took place when rival gangs of youths clashed late at night in the Underground station, and the daily assaults on railway staff.

BR aims to ban drink on 'hooligan' trains

By Richard Ford

British Rail is preparing a by-law to ban drink on trains at certain times as part of a plan to reduce violence and hooliganism on the railways.

Meanwhile the Government is to consider proposals to set up mobile groups of British Transport Police, who could be used in London and other cities to combat quickly the increasing vandalism and assaults on rail workers.

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Gatwick air terminal is criticized

By Arthur Reed

The second terminal at Gatwick airport, which would cost £110m, is "merely a stop-gap measure pending the development of the third London airport", the public inquiry by the British Airports Authority into the planned terminal is to be told.

In its evidence published yesterday the Gatwick Area Conservation Campaign said it is a sensible way to spend what is, in effect, our money? We believe that the BAA is moving towards a gross over-provision of airport capacity in the South-East."

The proposals of the authority would result in the airport covering much more ground to the north, the campaign said. The authority had

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Have you noticed how luxury, like beauty, is often only skin deep?

If you're easily seduced by thick carpets and comfy seats, there are any number of 'luxury' cars to choose from.

If, however, you believe there's more to luxury than meets the eye (or for that matter, the posterior), the list of candidates rapidly shrinks.

Two cars that bear closer scrutiny are the Vauxhall Royale Saloon and Royale Coupé. Their distinctive looks owe as much to the science of the wind tunnel as to the art of the designer.

Both cut through the air with the minimum of turbulence and, as a result, with minimal wind noise.

A tapered, sloping bonnet and, below the bumper, an air dam reduce aerodynamic lift at speed and underline

the cars' remarkable stability and impressive roadholding.

Even the door mirrors are specially contoured to deflect spray and dirt away from the side windows.

Road noise, too, is suppressed not just by layers of insulation, but by the suspension itself.

Springs and shock absorbers, for example, have been

mounted closer to the wheels than is customary.

They react faster and more effectively to the smallest movement and successfully iron out those irritating small bumps that can be so intrusive.

While the bodywork itself has a natural resonance too high to be excited by road vibrations.

The engine, a silky 2.8 litre 140 bhp six-cylinder unit, is additionally steadied by two diagonally positioned hydraulic dampers for further smoothness.

And automatic transmission is, of course, standard on both cars (with manual available at no additional cost).

Inside, the Royale is one of the few cars that allows the driver to achieve not just a good driving position, but the ideal one.

You can adjust the driver's seat for height, as well as for reach and rake and the steering wheel is tiltable.

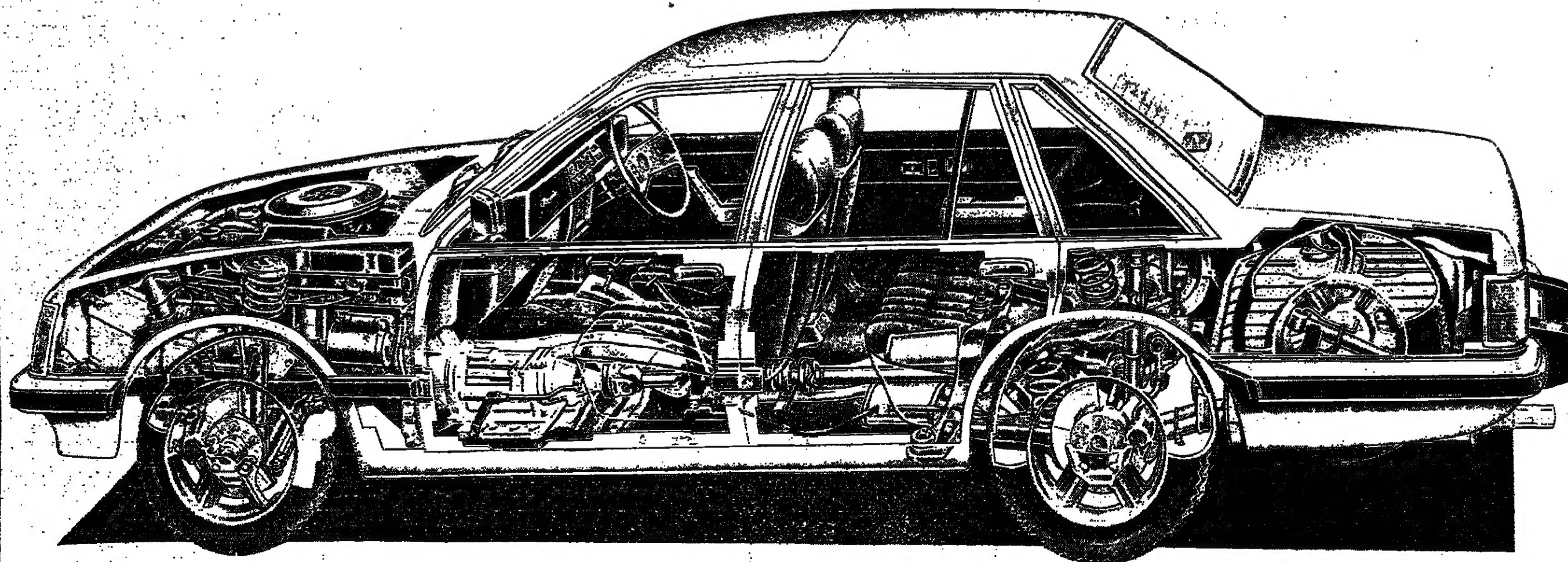
As you'd also expect, the steering is powered.

Examine a Royale at your nearest Vauxhall dealer, and don't simply be seduced by the lavish specification.

You'll find it's one of the few cars where luxury is more than just a question of appearances.

Luxury is built in, not bolted on.

AIR CONDITIONING IS THE ONLY OPTIONAL EXTRA AT £225. SALOON £10,000, COUPÉ £10,547. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.



VAUXHALL 
ROYALE

WEST EUROPE

Nato plans for Europe in case US switches its troops to the Gulf

Washington, May 6.—The Western alliance is going to make plans for replacing American troops in Europe, in case the United States decides to send those troops to the Gulf, Dr Joseph Luns, the Nato Secretary-General, said today.

Dr Luns, after talks with State Department and Pentagon officials, said the contingency plans would be drawn up, probably by a special Nato committee, "in case the Soviets try to grab the Gulf oil". He described the threat as "hypothetical at this moment".

Dr Luns made the statement after conferring with President Carter at the White House. It was presumed they had also discussed the Nato conference in Brussels next week.

The issue was brought to the Nato allies by Mr Robert Komer, Assistant Secretary of Defence, who outlined United States contingency plans for defending the Gulf two weeks ago in talks with the other allies.

"The difference between the United States and the other allies," Dr Luns said, is that only the United States has the means to react militarily in the Gulf, even if Nato were to be extended to that area, which I would not recommend."

The countries of Europe, he

said, "would be able to hold the line in Western Europe".

"It may well be that the nations of Europe may have to shoulder a heavier load... to take up the slack," he said.

American officials, speaking privately, insisted there were no plans to move United States land forces from Europe in the event of an emergency.

They said the United States might move naval units, airlift forces, and United States based troops into the Gulf region. In an emergency, those forces might otherwise be used to reinforce the European theatre.

—UPI and AP.

Bremen battle: Bremen police tonight fought thousands of demonstrators who set fire to vehicles and tried to storm their way into a military swearing-in ceremony attended by President Karl Carstens.

Police said a soldier was critically burned when demonstrators threw a petrol bomb into a military bus. They also set two other buses and a number of cars ablaze.

At least 20 people, including policemen, soldiers and some of the 7,000 demonstrators, were hurt in the fighting in front of the Wasser soccer stadium where the ceremony, marking 25 years of West German Nato membership, was held.—Reuter.

Giscard talk fails to convince farmers

From Ian Murray Paris, May 6

President Giscard d'Estaing, in his hour-long broadcast last night, tried to reassure French farmers that their income would be guaranteed and that they would soon benefit from the 5 per cent price rise agreed by every EEC country except Britain.

The reassurance, however, failed to convince farmers in Alsace, who turned out to demonstrate in force today against Britain. Yet another straw-stuffed effigy of Mrs Thatcher was burnt—this time in the square by the European Parliament.

President Giscard said last night that the "means" were available to ensure that French farmers would receive the 5 per cent increase, plus the advantages of a devaluation of the green franc, and he said he would keep his promise to maintain their buying power in the year ahead.

The President never went into details on the point, however, and merely said that French farmers would be guaranteed a 10 per cent rise which would maintain their buying power. *Le Monde* today asked how this promised 10 per cent could be expected to cover an expected 15 per cent rise in the cost of living over the year.

Preoccupations such as this caused farmers to demonstrate today in various places.



Mr Peter Walker (right), the Minister of Agriculture, talks with M Pierre Melsaigrie (centre), his French colleague and Mr Fina Olav Gundelach, the European Commissioner in charge of agriculture, before their meeting in Brussels yesterday.

EEC budget talks are to be reconvened

From Michael Hornsby Brussels, May 6

Fresh efforts are to be made to resolve the intractable dispute over Britain's contribution to the European Economic Community budget, with the aim of getting the matter disposed of before the Nine's next summit meeting in Venice on June 12 and 13.

The news emerged at a meeting of EEC foreign ministers here today—the first since Mrs Thatcher turned down the budget solutions proposed by the other heads of government in Luxembourg at the end of last month.

Both President Giscard d'Estaing of France and Herr Helmut Schmidt, the West German Chancellor, said after the summit they did not want to discuss the budget issue again in Venice.

Sir Ian Gilmour, the Lord Privy Seal, agreed with the other foreign ministers that every effort should be made to get agreement at the normal level of the Council of Ministers, so that the heads of government would not need to do more than give their political blessing.

An equally low-key atmosphere prevailed at a parallel meeting of EEC Agriculture Ministers despite the refusal by Britain—pending a budget settlement—to agree to the 5 per cent farm price increase approved by eight member-states last month in Luxembourg.

Mr Peter Walker, the British Agriculture Minister, made a ritual attack on a French-inspired scheme for supporting lamb production, which he said could create a mountain of 100,000 tonnes of unmarketable lamb by artificially propping up market prices at the high French level.

Coups plan just gossip Spanish colonel says

From Harry Debelius Madrid, May 6

One of two Spanish police officials accused of conspiracy in connexion with a plan to hold Señor Suárez, the Prime Minister, hostage and force a change of government, told a court martial here today that the alleged plot was "nothing more than a conversation over a cup of coffee".

Lieutenant-colonel Antonio Tejero Molina, of the paramilitary Civil Guard, made the statement while giving evidence in his own defence.

He said in response to previously published statements by Government officials that a coup d'état was impossible, that those taking part in the coffee-table conversation "disagreed with that opinion and drew up the outlines of a hypothetical coup".

The other man accused of the conspiracy, known as "Operation Galaxy" (the name comes from the cafeteria where the alleged plotters met), is Captain Ricardo Sáenz de Inestrillas of the National Police.

The military trial began at 10 am in a white-walled courtroom at the headquarters of the Madrid military district.

Captain Sáenz de Inestrillas did not give evidence because he has refused to present a defence. The court rejected his request to call certain high government officials and military men as witnesses.

The five officers of the court sat behind a long, plain wooden table with a crucifix in the centre.

About 140 people attended the opening session and admission was limited to those who had been granted passes.

The court heard a score of witnesses. The military prosecutor charged both men with "conspiracy for the purpose of military rebellion" and called, for sentences of six years for Colonel Molina and five for Captain Sáenz de Inestrillas.

The prosecution presented written statements from other officers who were with the two accused during the cafeteria conversation which was said to include discussion of the chances of sending a special police force to storm the Prime Minister's lightly guarded office on the outskirts of Madrid.

It was also alleged that November 17 was the "target date" the day 18 months ago when King Juan Carlos began a two-week tour of South America.

The accused were tried by military tribunal since the Civil Guard is technically a part of the Spanish army and because virtually all unit commanders of the National Police are army officers on detachment duty.

According to military court procedure here a verdict and sentence were not expected to be announced immediately. They have to be approved by higher military authority to be legally binding.

Five German women caught in raid on Paris flat

From Our Own Correspondent Paris, May 6

French police have arrested Fraulein Siegfried Hoffmann, aged 35, who has been wanted for questioning about the July, 1977, murder of Herr Jürgen Ponto, chairman of the board of the Dresdner Bank.

Fraulein Hoffmann, who is said to have connections with the Baader-Meinhof Red Army Group, was arrested last night in her Paris apartment.

Fraulein Ingrid Barabaz, aged 20, another West German woman also sought on an international arrest warrant, was caught in the flat. Later three other women, apparently of

West German nationality, were arrested when they entered the flat. One is said to be Fraulein Regina Nicolaj, aged 27, also sought by the West German authorities. The three are due to appear in court tomorrow.

Police say arms and ammunition were found. Fraulein Hoffmann and Fraulein Barabaz made a brief appearance before an examining magistrate tonight and were remanded in custody. Both women, whose hands were manacled, refused to make any statement.

Fraulein Barabaz was first named last year by West German police as being one of the most wanted 18 terrorists.

Brittany holiday bookings hit by tanker disaster

From Our Own Correspondent Paris, May 6

Hotel-keepers in the area of the northern Brittany coast affected by oil from the wrecked tanker *Tanio* in March say that their bookings for the summer season are down by up to 40 per cent.

The pollution along the coast, although concentrated in a small area, was thick and pictures of oil oozing on to the shore provided bad publicity. The fear that more oil, still trapped on board the front section of the ship which is lying 30 miles off-shore, would affect the beaches played a part in the cancellations.

The work of pumping the oil out of the wreck is due to begin in June. Meanwhile the French Government has allocated 790 millions francs (about £83m) to build 11 patrol vessels and three aircraft to keep watch for possible oil pollution.

Two seized by kidnapers in Milan area

From Our Own Correspondent Rome, May 6

Two cases of kidnapping have been reported in the Milan area within hours of each other, a reminder that the authorities are far from eradicating organized crime even if they believe they have political terrorism on the run.

Signora Rosanna Morlacchi Restani, aged 42, was seized by four armed men as she arrived at 8.30 am today at a small salt factory which she owns and runs with her two brothers on the city outskirts. She was bundled into a waiting car.

Last night, Signor Alessandro Vismara, aged 25, was kidnapped by six men as he was driving home from his father's farm outside Milan. Signor Vismara is standing as a Christian Democratic candidate at local elections next month, but police were treating it as a criminal rather than a political case.

Paris Opéra contracts a rewarding marriage to a lively Italian partner

From Our Own Correspondent Paris, May 6

A unique "marriage" took place here this morning in the gilded, if somewhat tarnished, rooms of the Palais Garnier. The bride was the Paris Opéra, which has been something of a declining house in the postwar years and the bridegroom was La Scala of Milan, the dashing Italian prince of music.

The dowry was provided by the French Government, which has agreed to raise the subsidy of the Opéra this year from 165m francs (about £16m) to 175m francs. The matchmaker was M Bernard Lefort, now director of the Aix-en-Provence Festival, who takes over as administrator of the Paris Opéra next September.

At today's ceremony, when the rich cream velum contract was signed by M Lefort and his opposite number at La Scala, Signor Carlo Maria Badini, the marriage was blessed by M Jean-Philippe Lécat, the French Minister of Culture, and it was made fairly obvious that in years to come the bride intends to wear the trousers.

The contract means that both organizations will share each other's productions, but it is to go much further than that. The singing and dancing schools of both will collaborate and exchange pupils and teachers. A mutual "studio" of baroque music will be formed and the partners are to commission two works, one French and one Italian, from famous composers for presentation in the 1984 and 1985 seasons.

Most significant, though, in the light of the high honours and fees which opera and ballet stars now command, the partners are—as befits a married couple—to tell each other everything about their finances and payments, so that artists will not be able to trade one partner off against the other.

M Lefort made it clear that, as with any other marriage, no end to the contract was

envisioned. He hoped there would be no divorce, and emphasised there was to be a bigamous relationship with any other opera house.

Nevertheless, he did not rule out the occasional "affair" with other opera companies, but only for a very particular assignation. It was up to the others, he said, to arrange their own marriages.

For M Lefort the marriage was the beginning of the real awakening of the Paris Opéra. His programme for the coming opera season is optimistic by any standards. Indeed he admitted today that it was "an enormous gamble".

M Lefort thinks the bride should go out and about. So performances of *Carmina* are being staged in the Palais des Sports, even though one distinguished critic protested that the acoustics would "assassinate" Bizet's music.

The company is to tour France and 10 operas are to be revived. A programme a few days before each broadcast will give background to the production. Radio Luxembourg is to sponsor a performance of Beethoven's Ninth Symphony. M Lefort's idea is that the Opéra should become much accessible to more enjoyable.

To attract audiences international stars like Janet Baker are being brought in. Nevertheless, M Lefort's aim is to create a world-class French opera and ballet from French artists in the way that he believes Britain succeeded with British artists.

He is reorganizing the corps de ballet and imposing stiffer demands on the singing school. From November next year there will be performed a series of one-act operas which he has commissioned.

To finance this programme M Lefort is not only pestering the Government, but also trying to persuade French companies to back productions. He says he aims to run the Opéra on business lines to raise the money necessary to ensure good performances.

Prudential profile No. 3: Kenneth Fleet reporting



John Powell, Head of Prudential Management Services, shows Kenneth Fleet, leading financial journalist and City Editor of the *Sunday Express*, some of the hardware behind the Prudential's "computer revolution".

"Computers mean even better service for 8 million Prudential policy holders."

John Powell, Assistant General Manager, Management Services

The Prudential has been among the first to recognise the crucial role computers can play in more efficient administration, and has made a massive investment in advanced technology.

Kenneth Fleet talks to John Powell, at the centre of the Prudential "computer revolution".

Fleet: You have led me through the finest Victorian Gothic facade in London into the twentieth century world of computers. The Prudential, I understand, was a pioneer in processing data by machine.

Powell: This company was a leader in the computer revolution. We installed our first computer in 1961. The first punch card machine was installed in 1919.

Fleet: You have this gleaming array of costly machines. What does computerisation actually do for the Pru's eight million policyholders?

Powell: It buys them a better deal for the premiums they entrust to us. The reason we use computers is to make our business more economical and effective. With costs always rising, we need to spend as little as possible of policyholders' premiums on administration. Computers also help speed up the payment of our policyholders' claims and answering queries.

Fleet: Will that unique character, "The Man from the Pru," your 13,000 field staff, learn to love the computer?

Powell: Computers are becoming cheaper and smaller all the time. With our research programme, I foresee a time when we shall bring many of these advantages to our selling staff.

Fleet: Are there also benefits for head office staff?

Powell: They have to deal with a frightening amount of paper work. Computers help significantly to cut wastage in materials and manhours, and increase job interest.

The improving cost of performance of computing will enable us to process not just numeric data but textual data and we can expect to merge speech into the same network.

I am looking forward to the time when Prudential offices will be using computers as a huge filing system and communications network. This will not only support the company's administration but produce and disseminate correspondence and management reports.

We are fast entering a new era of computer usage. We can and should use the computer's capabilities to improve job interest, while continuing to improve our efficiency.

Fleet: Senior managers sometimes see computers as expensive toys. Is this true with you?

Powell: No. Computers are serious business and not a game. A large proportion of the company's records are stored on computers. This data is an asset second only in value to our staff. It is vital to management in decision-making as well as in running this vast business.

Fleet: What has this massive transplant of computer technology cost?

Powell: The Prudential has invested £20 millions in the computer centre and we are currently spending close

to £10 millions a year on computing in all its various aspects.

Fleet: What other plans have you?

Powell: Our development programme is substantial. A major priority is a new, large processor which will be installed in July. This will make it possible for many Prudential staff to have access to a computer and write their own computer programs. We are also developing on-line systems to give branch offices instant computer facilities. Our policyholders and anyone interested in the range of insurance policies the Prudential offers will have their queries answered speedily. A company relying on existing postal services will simply not compete.

Fleet: One last question. Is the faceless computer about to take the place of the friendly face of the Man from the Pru?

Powell: Over my dead body.

The Prudential's annual report is now available from the Publicity Department, Prudential Assurance Company Limited, 142 Holborn Bars, London EC1N 2NH.

Prudential
You don't know the half of it.

OVERSEAS

South African black activist slips out of police control

From Ray Kennedy

Johannesburg, May 6

South African police have launched an urgent investigation into how one of the country's black activists slipped out of their grasp into independent Lesotho.

Mr. Thozama Botha, leader of the Port Elizabeth Civic Action Organization (Pecco), had been sitting on pavements in the city, quietly selling fruit and vegetables, since February, when a five-year banning order was served on him.

At the weekend he left his pitch and, obviously with the aid of accomplices, crossed into Lesotho. Police said today they expected to make arrests.

Later last year Mr Botha began to emerge as a volatile Black Consciousness leader in Port Elizabeth, which is the centre for South Africa's motor industry.

At the Ford motor plant, where he was a trainee draughtsman, Mr Botha led a walkout by black workers after whites complained that black workers were abusing integrated facilities and that they were unclean, had no table manners and had adopted threatening attitudes towards white supervisors.

Ford, which claims to be in the forefront of progressive industrial relations in South Africa, suspended Mr Botha. Strikes by black workers spread to two other plants.

The strikes were resolved after two months of negotiations over blacks' demands about plant conditions. The blacks

claimed, for instance, that short-time working affected only them and that they were on the losing end when annual bonuses were calculated.

Meanwhile Mr Botha, as chairman of Pecco, was involved in accusations by blacks to being moved from Welmer township, which is close to the centre of Port Elizabeth and therefore their jobs, to a new location 12 miles outside the town.

Early in January Mr Botha called for a city-wide strike against the relocation plan. Police arrested Mr Botha and two other Pecco officials. The police were then sent into the township and used tear gas to prevent threatened demonstrations against the arrests and the forced removal.

Mr Botha and his companions were held without being charged, for seven weeks, on release. In February, they were served with five-year banning orders. A magistrate last month refused to grant Mr Botha's banning so that he could resume work at Ford.

Thus he had been squatting daily on the pavement in Zwarte township, Port Elizabeth, to which he was restricted.

His escape to Lesotho probably means a resumption of his activist role. Tonight the police were taking a calm view of the situation. Colonel Gerrard Erasmus, the security police chief in Port Elizabeth, said: "We will probably hear from him soon. He will probably phone us or his family."

S African students ready to end school boycott

From Nicholas Ashford

Cape Town, May 6

The three-week boycott of classes by coloured and Indian students appeared to be nearing an end today after a statement by the Committee of 61, a student organization which coordinated the boycott in the Cape peninsula, that they would return to classes, but "not to receive the old, inferior, racist education."

In Natal a meeting of Indian and Coloured high-school pupils also decided to call off their protest against inferior education. A final decision on a return will be taken by the committee on Saturday. Until then the body, which has been remarkably successful in winning the support of parents and teachers for the protesters, has advised students to implement the "alternative education programme" which was devised by students and teachers.

The move back to school came a day after Mr Pieter Botha, the Prime Minister, had employed a judicious mixture of carrot and stick in an attempt to persuade the protesters to call off the boycott. At a press conference yesterday, he told the students to go back to school, saying that no government could allow a country to be harmed by boycotts.

At the same time he accepted that Coloured students had "justifiable grievances," pledging to make it his personal task to ensure that they were eradicated.

Mr Botha also said he was considering ordering an in-depth inquiry into the segregated education system.

Coloured political leaders welcomed what they perceived to be the Prime Minister's conciliatory line, noting that Mr Botha had not resorted to force, but his presence at the meeting was seen as a sign of the government's willingness to negotiate.

Mr John Vorster, during the black student disturbances in 1976, the Rev Alan Hendrickse, leader of the Coloured Labour Party, said the Prime Minister deserved a chance to put his words into practice.

But the student leaders made it clear that their intention to end the boycott was not in response to the Prime Minister's statement but because they felt it had achieved for them, a number of important gains.

According to the statement by the Committee of 61, these included an "astounding degree of unity, solidarity, and discipline among the pupils involved in the boycott; approval of students to elect their own representatives at all schools and a 'new relationship' of support and identification between parents, teachers and students."

Another contributory factor has undoubtedly been the fact that many students were beginning to tire of the boycott. Some had argued that the Committee of 61 should have called it off at the beginning of this week rather than take the risk that students would be drifting back.



Bodies sent home: Nine coffins containing the remains of American servicemen who died in the Iranian desert during last month's abortive attempt to rescue the embassy hostages in Tehran, left Zurich yesterday in an American military aircraft for Dover, Delaware, to be handed over to relatives.

Only three contained identified remains. The coffins arrived this morning on a Swissair flight from Tehran, escorted by Archbishop Hilarion Capucci. He had been asked by Ayatollah Khomeini to deliver them to the International Red Cross (our Geneva correspondent writes).

Tass accuses BBC of propaganda drive

From Michael Binyon

Moscow, May 6

The decision to increase Russian broadcasts by the BBC was criticized today by Tass, which accused the Corporation of conducting hostile propaganda and broadcasting anti-Soviet concoctions specially prepared in anonymous government institutions.

A report from the agency's London correspondent said the aim of the Conservative Government in carrying out this "unseemly campaign" was to divert attention from the military course of the Tories, to camouflage it by various subterfuges, and to distort the essence of the Soviet system.

"Radio anti-Sovietism" had an even longer history in Whitehall than in the United States, Tass said. It said the Foreign Office set up its "scurrilous" Communist Information Department at the beginning of the cold war, and said that this "department of

dirty tricks" was used to fabricate information hostile to the Soviet Union. After its closure by the last Labour Government, other government departments took over the function.

Tass said Mr Thatcher's plan to step up BBC Russian broadcasts would be welcomed by the "Aims of Industry" organization, which was "ready to finance the poisoners of the ether."

The BBC Russian Service, which is not jammed, has a large number of listeners in the Soviet Union and is widely respected, even if criticized by some for being too "academic."

The Soviet Union has increasingly been obliged to modify its news and propaganda to take account of information heard on Western radio stations. An ideological campaign launched last year has tried to counter the effects of Western stations, which are frequently accused of broadcasting slander and misinformation.

Pakistan and China stay united on Afghanistan

From Our Correspondent

Islamabad, May 6

President Zia ul-Haq of Pakistan on his return from a visit to Peking tonight said that China and Pakistan remained united in their demand that the Soviet Union should withdraw its troops from Afghanistan.

General Zia cut short his visit, scheduled for seven days, by two days to leave tomorrow for Belgrade and the funeral of President Tito.

He confirmed that he had discussed with the Chinese leaders the latest message he received from President Brezhnev of the Soviet Union on Afghanistan and Pakistan's

response to it. He said that Pakistan had no quarrel with the Soviet Union, but insisted that the Soviet Union should end its occupation of its Islamic neighbour. Pakistan would on principle not submit to brute force.

No joint communiqué was issued at the end of the visit because, as a country destroyed by war, bankrupted by Somalia, should shake off the influence of United States imperialism only to fall under Soviet imperialism.

Another reason for his leaving the Junta, he said, was that the Legislative Council was controlled by Sandinistas.

Senator Robelo had criticized the Sandinistas on several other occasions. When the country's programme to teach all Nicaraguans to read and write was introduced in late March, he gave a warning that it should not be used to indoctrinate children with communist ideology.

The official Sandinista newspaper *Siglo Veintiuno* published a strong attack on him because of this warning, and another

US woman arrested in Tehran as 'spy'

From Tony Alloway

Tehran, May 6

An Iranian woman was sentenced to death by the Central Revolutionary Court here today. Another woman, an American citizen, was arrested on charges of spying for the Central Intelligence Agency, according to officials.

Earlier, the same court announced the execution of seven men found guilty of being "corrupt on earth," on charges including plundering the nation's wealth, supporting the former Shah and executing a soldier who tried to assassinate the Shah.

The officials refused to identify the alleged spy beyond saying that she was American. The Revolutionary Guards who made the arrest said the woman had been handed over to the Foreign Ministry after admitting to spying for the CIA. The Foreign Ministry refused to comment.

The woman condemned to death is Mrs Farrokhzad Parsa, who was Education Minister for six years until 1974 in the Government of Mr Amir Abbas Hoveyda, the executed Prime Minister. She was convicted by the court on a number of charges stemming from her term as minister. Officials said that the sentence had not yet been carried out.

The court is reported to be considering verdicts on four members of a Jewish family who were prominent Tehran hotel-keepers during the Shah's reign. They are accused, among other things, of being Israeli and American spies, although most of the evidence appears to have been provided by 300 former hotel employees.

Ayatollah Khomeini, the supreme leader of the Islamic Republic, was reported to have said today that the Government announced to festivities to mark the day.—UPI.

Appeal for calm over Arab fear of reprisal

From Moshe Brilliant

Tel Aviv, May 6

Arabs living in the West Bank are said to have been frightened by a gross report that 25 Israeli Army reservists had organized themselves to wreak vengeance on Arabs for Friday's killings.

Although West Bank streets were heavily patrolled by soldiers, Arab sources said the report was not reassuring since the people who shot and wounded an Arab taxi-driver on Saturday night were said to have been in Israeli military uniform.

An east Jerusalem Arab said he could not get text to take him to the Jewish sector, because 15 Arab cars had been stoned and damaged in Jewish areas.

The stonings were a response to daily attacks on cars with Israeli licence plates passing through the Jewish sector.

Mr Teddy Kolek, Mayor of Jerusalem, formed a neighbourhood committee to try to calm the atmosphere. In a radio interview, he appealed for a sense of proportion, pointing out more stones were thrown by Jews at Jews in a single demonstration against Sabbath

desecration, than between Jews and Arabs in the 11 years since the Arab and Jewish sectors were reunited.

There were further disturbances in the West Bank. A grenade set fire to a military command car last night at the El Dahish refugee camp near Bethlehem. One soldier was slightly injured.

Arab sources said soldiers fired over the heads of girl students demonstrating in Ramallah and used tear gas to disperse them. More stoning of Israeli traffic was reported and there were five arrests.

In Nablus and Ramallah, soldiers ordered strike shopkeepers to reopen. Arab sources said the strike was spontaneous, but the Israeli military Government said they were imposed by hoodlums sent by the Arab National Guidance Committee on instructions from the Palestine Liberation Organization and that the merchants welcomed the Israeli counter-pressure.

Expulsions unlawful: The American State Department said today Israel's expulsion of West Bank residents is a violation of international law.

Role for Palestinians rejected

From Our Correspondent

Herzlia, Israel, May 6.—An Egyptian plan to give Palestinians a leading role in security in the occupied West Bank and Gaza was turned down by Israel today in a further difficult session of the Palestinian autonomy talks.

Mr Sol Linowitz, the United States special envoy told reporters there was no crisis and no danger of breakdown, but official Israeli source said during today's session that the outlook seemed gloomy.

The source said the Israeli rejected the Egyptian proposal and put forward their own security plan. No details of this were immediately disclosed but it was said to reiterate Israel's insistence on retaining full control of security in occupied territories after the granting of autonomy.

The Egyptian plan, put forward last night, would have given Israel a leading role in security and place significant responsibility for security in the hands of the proposed Palestinian self-governing authority.

Mr Linowitz said there was common ground between the Israeli and Egyptian proposals. "They (the Israeli and Egyptians) believe that too. There is no question that there is considerable common ground and this has to be developed."

Mr Linowitz said the Egyptian plan had not been presented in a take-it-or-leave-it fashion. He said he had presented American ideas but did not say what these were.

Mr Linowitz said the Herzlia talks would wind up tomorrow, a day earlier than planned. Under the original schedule, the talks were due to transfer there to Alexandria.—Reuters.

Surprise Arafat visit to Iraq

Baghdad, May 6.—Mr Yasser Arafat, the leader of the Palestine Liberation Organization, arrived in Baghdad from Riyadh today on an unannounced visit to Iraq.

He told the Iraqi news agency that he would hold talks with President Saddam Hussein and other Iraqi officials on the situation in the Arab world and Middle East and Palestinian developments, as well as on "current events in the Arab homeland, which is facing ugly imperialist and Zionist challenges."

25 drown in Nile

Nairobi, May 6.—Twenty-five people were drowned when a ferry capsized while crossing the Nile in central Uganda, radio Uganda reported today.

The Pope brings message to Kenyan children

From Our Correspondent

Nairobi, May 6

The Pope arrived in Nairobi by air today to a tumultuous, colourful welcome for a 40-hour visit to Kenya.

In a lengthy airport speech he told the children of Kenya that they carried in their hands the power to make their dreams come true. There were squeals of delight from the many schoolchildren who had waited in hot sun for the Pope, when he said that he brought a special greeting for them.

There was great applause when he delivered a Swahili greeting: "Wananchi, wote, wapenzi (all you people, my friends)".

President Daniel Arap Moi welcomed the Pope after he had stepped down from an Air Zaire airliner and ceremonially kissed the soil of Kenya. The Pope was flown in from Kisumu, in eastern Zaire, where he had paid homage to the mission which he founded there during unrest in the 1960s.

Schoolchildren chanted: "We love the Pope", and African choirs sang songs of greeting to the accompaniment of drums. Singing in Swahili, one choir told the Pope: "Truly, you have made Kenya happy."

President Biisa of Uganda flew here today to meet the Pope, accompanied by Major-General Tito Okello, his army commander. Cardinals, bishops and priests from a number of African countries were at the airport.

The Pope used his hat to shield his face from the bright sun as he watched the welcome ceremony. An African policeman held a coloured umbrella to shade him when he made his speech.

He commended Kenyans for preserving their rich cultural identity in a country which he said, had been blessed by peace and by unanimity among its inhabitants.

From the airport, the Pope was driven, standing above the open roof of his car, into the city with large crowds lining the route. He then attended a service at the Holy Family cathedral.

"Painful exceptions": Speaking to the diplomatic corps the Pope said he rejoiced that the colonial period in Africa is now drawing to a close.

"The peoples of Africa, with a few painful exceptions, are assuming full political responsibility for their own destiny, and I greet them, particularly, the recently achieved independence of Zimbabwe," he said.

"But one cannot ignore the fact that other forms of dependence are still a reality or at least a threat."—AP.

Bizarre Hollywood murder trial begins

From Ivor Davis

Los Angeles, May 6

One of the strangest murder trials in Californian history begins here tomorrow as Angelo Buono, charged with being the Hollywood hillside strangler responsible for murdering 10 young women, faces a preliminary hearing in Los Angeles municipal court.

The prosecution's star witness is his cousin, Mr Kenneth Bianchi, who has already confessed to killing five of the women.

Three months of testimony involving 150 witnesses is expected to be presented at the hearing. Mr Buono is charged with strangling the women, many of them prostitutes, in 1977 and 1978.

Mr Bianchi has already confessed to the string of murders and implicated his 45-year-old cousin, who runs a car upholstery business in the Los Angeles suburb of Glendale. He was sentenced to life in prison instead of being given the death penalty, after he made a deal with prosecutors in which he promised to testify against his cousin.

In addition to the murder counts, Mr Buono faces a variety of other charges including sodomy, oral copulation with a minor, pimping, procuring and conspiracy to commit extortion.

His chief lawyer, Mr James Brustman, says he will ask the judge to close the hearing to the public, saying: "We feel that this is the best way to cut down on negative publicity that might prejudice Mr Buono's right to a fair trial."

However, observers here believe the idea of holding the hearing in camera is somewhat ludicrous for two reasons. First, fully five months before Mr Buono was arrested Mr Daryl Gates, the Los Angeles police chief, held well-publicized conferences and announced that Mr Buono was his chief murder suspect.

His earlier this year many big television stations in California ran long pieces of film on their nightly news showing Mr Bianchi, said to be under hypnosis, repeatedly saying that he and his cousin had gone out and cold-bloodedly murdered their victims.

After the preliminary hearing, Judge Randolph Moore will not rule on innocence or guilt, but will decide whether there is "probable cause" for the defendant to face a full trial, probably before a jury.

Nicaraguans worried by growth of hardline communism after anti-Somoza uprising

Sandinista revolution begins to pall in business community

From Stephen Downer

Managua, May 6

Thirty-eight weeks after the overthrow of President Anastasio Somoza, whose family dominated Nicaragua for four decades, the country's most powerful forces are deeply divided.

The Sandinista National Liberation Front, whose guerrillas led the anti-Somoza uprising, has failed to convince its allies in the business sector that it is not moving towards communism.

The Sandinistas claim that the revolution they inspired is unique and that they will not repeat the mistakes made by other countries.

However, private businessmen point to a series of recent events as indicating that the Sandinistas, whose ranks include large numbers of non-Marxists, are being dominated increasingly by hardline communists.

They cite the visit to Moscow early last month of Senator Tomas Borge, the Minister of

the Interior, and one of the founders of the Sandinista front in 1961, and Senator Moises Hassan, Sandinista member of the ruling Junta of Reconstruction. Both signed a document in Moscow which amounted to a declaration of support for the Soviet intervention in Afghanistan.

Later in the month the composition of the 47-member Legislative Council was announced. Its make-up was negotiated between the Junta and the nine Sandinista directorate, and the Sandinistas dominate it. The Nicaraguan Democratic Movement, a political party supported by liberal businessmen, was given one seat.

Within a week Señora Violeta Barrios de Chamorro, one of the three non-Sandinistas on the Junta, resigned because of "ill health". She is the widow of Pedro Joaquín Chamorro, editor of the anti-Somoza newspaper *La Prensa*, who was murdered in an early morning ambush in January 1978.

Soon afterwards Senator Alfonso Robelo, who formed the



Anastasio Somoza: Hardliner replaced by hardliners.

Nicaraguan Democratic Movement in 1978, also withdrew from the Junta in protest at what he claimed was a swing to the radical left by Nicaragua's rulers.

Senator Robelo, owner of a cooking oil business explained later: "In the past we suffered from United States intervention, but what really seems to me is that a country destroyed by war, bankrupted by Somalia, should shake off the influence of United States imperialism only to fall under Soviet imperialism."

Another reason for his leaving the Junta, he said, was that the Legislative Council was controlled by Sandinistas.

Senator Robelo had criticized the Sandinistas on several other occasions. When the country's programme to teach all Nicaraguans to read and write was introduced in late March, he gave a warning that it should not be used to indoctrinate children with communist ideology.

The official Sandinista newspaper *Siglo Veintiuno* published a strong attack on him because of this warning, and another

leading article in the newspaper said that Senator Robelo's supporters "climbed on to the revolutionary ship like rats because Somoza rebuffed them."

Senator Enrique Dreyfus, president of the Nicaragua Development Institute, the principal private-sector organization, said in March that he was worried about what was happening in Nicaragua.

"We (in the private sector) are worried because within the Government, within the revolution, there is a large group of Marxist-Leninists. They undoubtedly want to take this revolution as far left as they can," he said.

He said that the Government had failed to make clear precisely the private sector's role was to be. "The private sector that is here wants to stay, but who is going to risk money when you do not know where you are going?"

He said that the private sector was responsible for 60 per cent of last year's gross national product.

Fifty-four hurt as strikers and police clash in Brazil

São Paulo, Brazil, May 6.—

Clashes between police and anti-government demonstrators who threw stones and lit fires in the streets here left 54 people injured and 100 arrested, police and hospital officials said.

The violence yesterday in the São Paulo suburb of São Bernardo began on the thirty-fifth day of a metalworkers' strike outside a church where the workers were meeting.

Senator Paulo Maluf, the State Governor, said: "This was an urban guerrilla action" while police blamed "outside agitators".

Hospital officials said most of the people hurt in the clashes were treated and released, many suffering from tear gas or smoke inhalation. The violence, threatened to become more chaotic today

because 1,300 bus drivers voted to go on strike immediately. Senator Romeu Tuma, head of São Paulo's political police, issued a communiqué which accused "radical groups interested in disturbing the peace".

Their aim, he said, was to "make the victims feel in order to traumatize the state and the nation".

Tension had been growing in São Bernardo area since tens of thousands of workers began their strike on April 1. Their leaders were arrested.

The violence yesterday began when demonstrators shouted insults against President João Figueiredo and against Senator Maluf. Metalworkers and their supporters confronted police outside the church where other strikers were voting to stay out.—UPI and AP.

Carter move to assist the Cuban refugees

From Our Own Correspondent

Washington, May 6

President Carter today set in motion his new "open arms" policy towards Cuban refugees by declaring the state of Florida a disaster area.

This is the first step towards providing financial and other federal assistance to a part of the country which is suffering hardship because of problems beyond its control.

Mr Carter's decision to mobilize federal aid came after a meeting early today with members of Congress from Florida at the White House. The Florida authorities have requested aid from Washington to help house and feed at least 15,000 Cubans who have arrived in the southern part of the state in recent days.

Mr Karamanlis resigns as Prime Minister

From Mario Modiano

Athens, May 6

Mr Konstantinos Karamanlis, the Greek Prime Minister—since yesterday, President-elect—submitted today the resignation of his 30-month-old Government to Mr Constantine Tsatsos, the outgoing President.

Mr Karamanlis has already relinquished his seat in Parliament and the leadership of his New Democracy party.

Earlier he presided over a Cabinet meeting, the last in his present capacity, and requested his ministers to hand in their resignations. The meeting was suspended while Mr Karamanlis went to the presidential palace. He returned to convey the President's request that the Cabinet should carry on until the next Government is formed. This is not likely to happen before next week. The parlia-

mentary group of New Democracy, the majority party, which is to elect Mr Karamanlis's successor to the party leadership, is meeting on Thursday.

On Friday, President Tsatsos proposes to consult the president of Parliament about the resignation of the Government.

Mr Karamanlis has signalled his intention to retire as soon as these formalities are completed and cede his place to Mr Karamanlis.

In his letter of resignation as Prime Minister, Mr Karamanlis paid tribute to Mr Tsatsos for his "decisive contribution to the normal functioning of our democratic system" in its first and difficult period.

Zimbabwe miners' strike goes on

From Frederick Cleary

Salisbury, May 6

About 4,000 black miners are still on strike at the Wankie coal mine in north-western Zimbabwe. They have been out since Friday.

Although 107 workers induced to return to work this morning, the majority have shown no sign of doing so.

Delegation of colliery officials went to the state compounds at 4 am today, accompanied by police, and told the miners that they believed there were a considerable number who did not wish to continue the strike.

If they wished to return to work, they were free to do so and would be given police protection. As a result the 107 reported for duty at the Number 3 colliery. However, about

2,300 from this colliery did not heed the call.

Eight thousand workers at the Hippo Valley sugar estates in south-eastern Zimbabwe walked out on Friday, but Mr Kumbari Kanaai, the Minister of Labour, intervened and persuaded them to return to work.

It is believed the minister has been asked to mediate at the Wankie dispute, but so far it is not known if he will do so. Both the sugar estates and Wankie coal mine are owned by the giant Anglo-American Corporation of South Africa.

Mr Harry Oppenheimer, the corporation's chairman, had an apparently conciliatory meeting with Mr Robert Mugabe, the Prime Minister, in Salisbury last week. A police spokesman said today that there was no violence at Wankie and no big

crowds. The miners stayed in their houses. It is believed that the miners had received a big pay increase to be effective from May 1 but they do not know this as they have not picked up pay packets because of the strike.

Exactly what the miners want is unclear, although one report said they had been shouting: "We want two dollars an hour."

Immigration figures: Official figures released today show that 997 people settled in the country when it became independent on April 18. The point is that statistics on longer classifies people into race, but the highest proportion who left will have been white after Mr Mugabe's election victory.

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Dr Martin Swords, Shell Scientist,
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Engineers have long known that the turbulence of the petrol mixture and gases swirling inside the cylinder has an important effect on performance – but the

difficulties of measuring the characteristics of a gas cloud which explodes about every 12 milliseconds, reaches 1500°C and is locked away inside thirty or forty pounds of metal, have proved insurmountable until now.

We are now able to drill holes in an engine cylinder, insert thick quartz windows and punch laser beams through the gas clouds as they mix and burn.

Using this technique we can work out the turbulence and the velocity of the gases.

Engineers and scientists can use this data to improve both the cylinder geometry and the chemistry of the fuels.

Since we estimate that this new information could help to bring about fuel economy improvements as great as twenty per cent, it is a development of some consequence.

If you think of the difference such a saving would mean to you, it's easy to see why we think this work is so important."



SPECIAL REPORT

STAMPS

Kenneth Chapman, Philatelic Correspondent, explains the finer points of collecting in this report marking London 1980, the International Stamp Exhibition at Earls Court (May 6-14), which he also reviews on this page

When the unique British Guiana 1856 black-on-magenta stamp was sold at auction in New York last month at a world record price of nearly £440,000 for a single stamp, the public was amazed that a dirty and ugly scrap of paper should be so valuable. Philatelists took the news calmly and carried on with their self-appointed tasks of developing interesting collections of limited scope but of much greater documentary importance than any investment portfolios of rare stamps prepared for a non-philatelist.

Stamps can be an investment, but selective buying is necessary to guarantee a result likely to attract any body whose interest is in profit and not in the stamps themselves: and, ironically, it is the most dedicated philatelists who create collections that are sound long-term investments although that was not their aim.

Broadly speaking, the hobby is enjoyed by two distinct groups, each containing people of all ages, classes and nationalities. One group consists of stamp collectors and the other of philatelists—and the distinction is clear. The important thing is that both groups enjoy their respective activities, and therein lies the universal appeal of the hobby.

Small boys and girls who acquire stamps from friends or relatives with overseas postal contacts happily mount their new treasures in inexpensive stamp albums and unconsciously absorb general knowledge about the countries from which the stamps come. The growing number of adults who buy all new stamps issued by the British Post Office—on average there are five special sets on various topics as well as the regular Christmas stamps

each year—enjoy studying the designs of their purchases. They are stamp collectors, all of them untroubled about the technicalities of stamp design and production but some of them may well become philatelists.

It all began soon after the world's first adhesive postage stamp was issued in Britain in 1840. During the 20 years other countries adopted this system of pre-payment for letters and by 1870 stamp collecting was fashionable. In place of albums containing embossed crests cut from the back flaps of envelopes used by titled people, business organizations and various public authorities, many Victorian households filled their albums with stamps cut from the fronts of the envelopes, which they passed down firmly on the album leaves.

By the mid-1860s, private exchange of these postal

curios was developing into regular dealing by office boys employed by shipping companies, merchants and banks in Liverpool, who salved the stamps from mail addressed to their employers. London office boys followed suit and Birch Lane in the City soon became the scene of a regular lunch-hour open-air stamp bourse. These enterprising lads were not first in the field, for a flourishing stamp bourse established in the Tuileries Gardens had led to the first regular stamp shops being opened in Paris a few years earlier. Similar activity was taking place in Brussels and New York.

However, one Englishman had already paved the way. In 1856, 18-year-old Edward Stanley Gibbons, son of a Plymouth pharmacist, persuaded his father to allocate a corner of the shop exclusively for stamp dealing. Today, Stanley Gibbons International, a quoted company with a turnover exceeding £16m annually, employs more than 400 people. Based in London, where young Edward settled in 1874, the firm operates businesses in Britain, Germany, France, Sweden, Australia, South Africa and the United States.

It was a Birmingham stamp dealer, Edward Loines Pemberton, who has been fairly described as the father of scientific philately. To him, the picture on the stamp (at that time usually the ruling monarch, the arms of the issuing country or just plain numerals) mattered little. He wanted to know how the stamp had been printed, the type of paper used, whether it had a watermark, or any other aspect of production which might enable him to distinguish the genuine from the forged. In 1863 he knew enough to write, and have

published by Colston & Son of Edinburgh, a 36-page volume entitled *Forged Stamps and How to Detect Them*.

In 1869 a dozen serious collectors formed the Philatelic Society, London. It is now the Royal Philatelic Society and can claim to be the oldest and the most important philatelic organization in the world. Its spacious headquarters, near Baker Street, house a magnificent library and reference collections.

Advances in philatelic knowledge have inevitably led to specialization and the formation of large societies whose members are concerned only with the stamps and postal history of a single country. For example, the Canadian Philatelic Society of Great Britain has more than 700 members who study the classic issues of the former Canadian provinces, and those of the 1867 Confederation onwards. The society publishes its own very professional journal, *Maple Leaves*, and works closely within the British North American Philatelic Society in Canada.

There are well over 500 active local philatelic societies in Britain that meet weekly, fortnightly or monthly to enjoy displays of stamps of all kinds and listen to technical papers on the subject. Most advanced collectors belong to their local society (where members' collecting ranges from modern British issues to those of countries from the Himalayas to the Pacific) and to the society which caters for their special interest.

The hobby has generated a remarkable output of literature. Apart from the basic weekly and monthly magazines and the vast output of general textbooks and catalogues, highly specialized and expensive monographs appear with un-

The open-air stamp market in the Square Marigny, Paris, which dates back to the end of the last century. Photograph: Carlos Freire.

failing regularity.

The public may be mystified by the finer points of philately, but the constant press references in editorial and advertising matter to the investment potential of stamps is something it can understand. Prices for some rare stamps have risen dramatically in the past three years, far beyond the natural rises because of inflation.

Despite this, extreme caution is advisable before the

continued on facing page

The exhibits will be in two main classes: invited and competitive. A major hors-concours exhibitor is the Queen, the patron of the exhibition, whose incomparable collection of British Commonwealth stamps was started and developed by her grandfather, King George V, a keen and skilled philatelist. The royal collection contains any unique items, and among those on view at Earls Court will be an 1855 watercolour portrait of Queen Victoria, painted by Edward Henry Corbould, from which the first stamps of Ceylon were designed. Another unique item is the only used example of a King Edward VII 2d stamp prepared for issue in May, 1910. The envelope bearing the stamp is addressed to "His Royal Highness, The Prince of Wales" at Marlborough House, and was delivered on May 6, 1910, the day on which King Edward VII died and the Prince of Wales succeeded him as King George V.

This 2d stamp was, in consequence, never issued to the public and only this one example is known to have been used.

Adjoining the royal exhibit will be the "court of honour" in which collectors who have already won the highest international philatelic honours are invited to show some of their finest stamps. One of these, Mr Hiroyuki Kanai of Japan, will be showing six of the Mauritius Post Office stamps of 1847, together worth at least £500,000.

Not all the stamps on show will be rare. Many of the exhibits will consist of quite ordinary stamps from many countries and the awards they achieve will depend on the presentation of the exhibit and the standard of technical study demonstrated by the exhibitor. It is from these exhibits that the inquiring philatelist can learn how to improve his own collection for exhibition another time.

The British Library has selected pages from the Tapping collection—bequeathed to the nation by Thomas Keay Tapping when he died in 1891—the finest existing example of a Victorian worldwide general collection. The British Library holds many bequest

For the first time in its long history as an exhibition centre, Earls Court, London, is the site of an international stamp exhibition—which opens next Tuesday. About 4,000 display frames will contain stamps valued at more than £20m and more than 200 leading stamp dealers from all parts of the world and about 50 overseas post offices will have stands there. It is only once every 10 years that Britain mounts a stamp exhibition of this size and importance.

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World exhibits worth £20m on display in London



collections, and will also draw on the Fitzgerald and H. Eric Scott collection of stamps to redress the Victorian picture.

The National Postal Museum will display the only known complete sheet of 240 Penny Blacks (a proof sheet from the archives), some exceptional stamps from the King George V period, and preparatory work for both the Wilding portrait stamps of Queen Elizabeth (1952 onwards), and the present Machin definitives for which Arnold Machin sculpted a plaque which was used for designing the stamps. The museum has also prepared special display, carrying British Mail tracing the history of mail transport from the mounted post boy of the first Elizabethan era onwards, and showing inward overseas mail services from the nineteenth century, packet ships—armed to repel pirates—through to the air-mail network of today.

There has been no advance publicity about the competitive entries which have been arriving from many countries during the past two weeks. Caution required that the assembly of these valuable exhibits should not be publicized until the exhibition was set up and under strict 24-hour security guard at Earls Court.

From the opening day, a jury of almost 40 specialists will begin the difficult task of assessing the entries in the 4,000 frames and making awards which will extend from the Grand Prix d'Honneur (in the only class open to most previous world medal winners at any international exhibition) down to the hundreds of bronze medals for collectors who will treasure these as evidence that their collections were accepted for display in London—1980.

The Grand Prix d'Honneur is a magnificent Wedgwood Jasperware vase donated by the British Post Office. Other Wedgwood vases will be awarded, respectively, to the best exhibit of British stamps in the national class, and to the best exhibit of any other collection in the international class.

The London 1980 medals (in gold, silver, silver, silver-bronze and bronze) were produced at the Royal Mint from designs by Peter Windert Associates and show, obverse and reverse, the Tower of London and St George and the Dragon.

An international stamp exhibition, wherever held, ignores political divisions. The entries come from all parts of the world and the jury is equally international. At Earls Court the decisions will be taken by jurors

from Britain, the United States, Russia, Czechoslovakia, Turkey, Japan, India, Costa Rica and nearly all the Western European nations, all working under a British chairman.

The British Post Office will have a two-storey stand with 24 counter positions at which a complete philatelic service will be available separate from other counters offering the normal commercial business facilities.

For visitors who tire of viewing static displays of stamps there will be other attractions. Three leading British stamp printers will have stands on which perforating, lithographic printing from old litho stones (as used for many nineteenth-century foreign issues) and modern photolitho processes will be demonstrated.

Young collectors have not been forgotten. Their special corner will resemble a Victorian country railway station—Little Licking—in which lectures, video-tapes and films about stamp collecting and mail handling will help them to understand their hobby. An exhibition of stamps with railway designs and this year's winning entries in the nationwide Melville junior

stamp competition will also provide entertainment and instruction.

The high spot of London 1980 will be on Tuesday, May 13, when, at the Palmes banquet at Grosvenor House in Park Lane, the awards will be announced and the major trophies presented.

British philatelists, with liberal help from the Post Office, have spent three years preparing for this event. Inflation has pushed up the costs to well over £1m, but skilful management should balance the books of the exhibition which will, once again, show that London remains the world's philatelic capital, as is proper to the city that gave birth, in 1840, to the world's first postage stamps.

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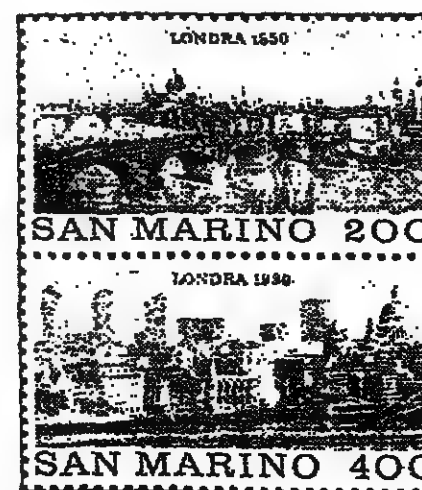


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هكذا من الأصل

Stuart Rose discusses approaches to stamp design in Britain and Patrick O'Leary recalls the

William Dockwra post, launched just 300 years ago

Black is beautiful

Since the issue of the first adhesive postage stamp in 1840, it has been the operational functionalism of a stamp rather than its artistic merit that has preoccupied the minds of the Post Office and its suppliers. To them, the postage stamp played an important part in the successful handling and trafficking of mail, being a receipt for the prepayment of a postal service and the only indication to postal staff of what service had been paid for.

Any ambiguity, therefore, in the way in which that information was conveyed could well put at risk the efficiency of the service. Even the Penny Black, arguably the most beautiful stamp Britain produced, was designed first as an efficient tool in mail handling and only incidentally "did it eventually turn out to be a product of such beauty."

Yet in spite of the strictures laid upon itself, the Post Office has always recognized its own responsibility to the public, to issue stamps with as much artistic merit as possible, and within the stylistic limits of period and taste it has set and maintained a remarkably high standard of design.

Never claiming any professional competence in such matters of artistic expression, it has always sought outside professional advice, following the example set by Rowland Hill who consulted three Royal Academicians on the design of his first Penny Black.

Possibly because no other advice was available, the Post Office tended to look towards artists rather than designers, for help and encouraged the belief that stamp design had everything to do with art—a fallacy which persists even in some quarters today. It was, however, the creation of the Council of Industrial Design in 1946 and the subsequent formation of its own Stamp Advisory Panel that saw the new profession of designers becoming involved not only



as practitioners, but in the activities of selection and adjudication which the post performed.

It was not until 1968, however, that the Post Office took a major step towards complete involvement in professional design by creating the post of design director and filling it with a professional designer. For many years it had been an enlightened patron of design, commissioning freelance designers to work mainly on publicity material. But it had never seriously considered employing professional designers on its own staff.

At the same time as the creation of this new design post, a new Stamp Advisory Committee was established, to be administered by the Post Office under the chairmanship of its director of operations and overseas. With the new committee, however, the fact that it was under Post Office control made possible for the first time a much closer

relationship between itself and the designer in the first place, then progressively between itself, the designer and the printer, so recreating the classic pattern of professional design direction involving in one coordinated operation the client, the designer and the manufacturer. The coincidence of these two changes in design control was to make possible a new approach to stamp design and heralded the golden years of British stamp design.

The success of this new policy is seen in the stamps that derived from it, and it was recognized in 1973 by a Design Council Award for the previous year's stamp programme together with the supporting promotional print of first-day covers and presentation packs. That the Design Council, whose standards are high and demanding, should have made this award was praise enough, but that it should have been made for the design excellence of the

stamps rather than their philatelic worth was complete justification of Post Office attitudes and beliefs.

As with all industrial design, however good a designer may be, the product of his skill will be as good as his client will allow it to be. In the case of stamps, client influence takes two interdependent forms, the choice of subject and the manner in which the Post Office believes it should be expressed.

Every year, the Postal Marketing Department will receive about two hundred requests from outside sources for an issue of stamps to commemorate an event or a personality. It will also compile its own programme from subjects which it considers should be included in terms of public reaction or political expediency. Also, in pursuit of its own marketing policy, it will include subjects which it believes will increase philatelic sales.

With only five or six places to fill in a year's programme, the problem of maintaining a proper balance between subjects without causing too much offence is a delicate one. In addition, the importance that, given an equal choice, only subjects which are capable of a good design solution should be included, for not all subjects, however worthy, in themselves, will necessarily make a worthy stamp.

But the decision that will have the greatest effect on the ultimate stamp is the one which will establish the style of design and therefore the choice of designer. Although this should properly be a professional decision taken by the design adviser, he often finds himself under pressure from the committee and elsewhere to go their way.

In a number of instances the subject itself will dictate the treatment, but it is

essential that the Post Office should have a clear idea in its own mind of how the stamp should ultimately look, in the end it will inevitably reflect current Post Office taste and it is not difficult to see a salesman's hand in some of the recent issues, like dogs and the police, where the pursuit of popularity has resulted in a somewhat banal representation.

There is an interesting comparison that can be made between two cycling stamps, one by Fritz Wegner in 1978 and one by Andrew Restall for the Commonwealth Games in 1970. Both, in their own way, are competent designs but so different in concept as to suggest two opposite points of Post Office view.

There is an inherent danger in a pictorial stamp that too much insistence on realism will rob it of any imaginative graphic treatment and it will end up as nothing more than a pretty picture. It is not so long ago that the idea of a pictorial stamp was anathema to the Post Office and the collector, who held the view that a good stamp was a last, not a picture.

With today's wide range of subjects such an attitude is hardly practical, but at least the dominant element should be a well-controlled graphic design expression of the subject, not just an illustration. Without making invidious comparisons, stamps which have met this condition have been Dulac's 1s 3d Coronation in 1953, David Gentleman's Churchill in 1965 and his three castles in the Investiture issue of 1965 and Social Reformers of 1976; Andrew Restall's Commonwealth Games of 1970 and Sailing in 1975; Britons of 1974; Peter Murdoch's EEC of 1973; and Geoffrey Matthews's Coronation Anniversary of 1978.

However susceptible a subject may be to a good design solution, and however good the designer may be, the ultimate quality of design will depend entirely on the standards of design held by the Post Office and its professional ability and willingness to uphold them; without that even the best of designers can be of little help.



Penny post turned upside down

Just 300 years ago Londoners read that they could now enjoy the benefit of a penny post with fast delivery of letters and small packages within the capital and its immediate suburbs. The leaflet announcing the service was headed *A Penny Well Bestowed*.

It boasted that lawyers and their clients would be able to correspond more quickly, visitors to London on business or pleasure could tell their friends they had arrived, and the penny post would enable "sick patients frequently to correspond with their doctors and apothecaries", as well as meaning much time saved in "solicitations for money". Schoolboys may have questioned the desirability of another suggested boon: "Parents may converse with their absent children at boarding schools, and children with their parents to the improvement of their hands, stile and learning".

The leaflet declared that shopkeepers, merchants and craftsmen would no longer have to waste their time, or that of their staff, taking

messages to and fro. Even allowing for the enthusiasm of the Satchi & Satchi of the time, the new post filled a gap. Britain had had a postal service since Tudor days, and even earlier. But this concentrated on inter-city links, and on foreign correspondence. Citizens who wished to communicate with others in the same town either went along for a chat, or sent a servant or hired a porter.

The first announcement of the penny post said cautiously it was "Printed for the Undertakers". Later handbills carried the name of a former government customs official, William Dockwra, described as "the author of the penny post". This was disputed by Robert Murray, who claimed to be the "inventor and first proposer".

Whatever their relationship, Murray soon turned to other activities, and Dockwra became identified with the service. The controversy, and the circumstance which made this a time for innovation, were graphically described by Mr T. Todd in his fully-documented book, *William Dockwra and the Rest of the Undertakers*.

By the late seventeenth century London, with half a million inhabitants, about 500 streets, miles of waterfront, and growing export/import markets, needed an efficient public service. The post had begun life as the royal mail, carrying messages to and from the monarch and his officials. In 1680 it was a monopoly whose profits went to the Duke of York, later James II. Some of the money is said to have been spent on the Secret Service. The court was nervous that private letters might be used to spread sedition at a time when rumours were rife of plots against the monarch restored after the Commonwealth, or to reinstate the Catholic religion.

Officials at London's General Letter Office used a special gadget to open letters and resealed them unknown to recipients. This was destroyed in the Great Fire of 1666, which may be why the mob decided the fire was a Popish plot. Royal suspicion and ministerial inertia combined to thwart various proposals for a quick cheap post. These had the backing of increasingly prosperous and vociferous merchants, who did not want their confidential letters delayed or

copied by snoopers. But by 1680 a Whig Parliament and Whig magistrates were willing to circumvent royal control of information, and wished to circulate their own propaganda.

According to Thomas De Laune in *The Present State of London*, published in 1681, the penny post established seven sorting offices throughout London, with headquarters at Dockwra's house in Lyme Street. Letters could be left at between 400 and 500 receiving-houses, usually shops or coffee houses. Although the penny covered only London delivery, letters could be taken to the General Post Office for sending to other towns through the ordinary mail, while some were passed to watermen serving addresses along the Thames.

A small army of clerks and messengers was employed in collecting, sorting, registering, and delivering letters and packages which were insured for up to £10. Elaborating on previous stamping methods, triangular paid stamps were used to avoid fraud and delay. In central London customers might expect between six and 12 deliveries a day.

Such blessings were not welcomed unanimously. There was militant picketing by organized labour, the porters who normally ran errands. Magistrates noted disapprovingly that two had been guilty of rude language as well as a breach of the peace. Titus Oates regarded the penny post as yet another Popish plot, and some clients complained the service was not up to the promised standard.

Overall loomed the Duke of York, anxious to preserve his monopoly. Dockwra and his service survived only until the Whigs fell from power—apparently there had been some plotting going on, but it was an anti-Popery one aimed at the Duke.

In November, 1682, a handbill was distributed which reverted to the anonymity of two years before being headed *Advertisement from the Undertakers for Conveyance of Letters for a Penny a-piece*. It said service would be suspended for two days, because clerks and messengers had been subpoenaed to appear as witnesses at the King's Bench Bar, where William Dockwra was accused of breaking the

law by competing with the General Post Office.

Normal service would be resumed after the proceedings, the undertakers promised. But although Dockwra got off with a fine, the independent penny post was at an end.

Proof that his initiative was valuable came two or three weeks later, when the Postmaster General started his own metropolitan penny post. To emphasize the change of management, Dockwra's triangular stamps were turned upside down, while the time stamps became circular instead of heart-shaped.

Naturally, complaints against the service increased once it was government-run. Attempts were also made to continue unofficial deliveries. Dockwra, who managed to get a government pension for his allegedly illegal services to the mail, was recalled to take charge of the Penny-Post Office from 1697 to 1700. He is also credited with having provided advice in the establishment of postal services in America. He died at an age variously put at 94 and nearly 100, in 1716.

Finer points of collecting

continued from facing page

non-philatelist takes the plunge. The value of stamps, like that of pictures and antique furniture, is subject to the vagaries of the market and the dictates of fashion. The high values of the British early George V—known as the "Sea-horses"—issue—have slumped by a good 50 per cent in the past six months. Against this, fine used British Commonwealth stamps of 1850-1880, especially when still on the original envelopes, have been in steady demand as the demand for historic postal history has developed.

The non-philatelist is well advised to consult an independent expert before investing in material he does not understand. The aim is to buy really rare stamps, perhaps at £1,000 or more, rather than those which are always available on the market, but it takes courage and knowledge to do this.

The alternative is painstakingly to build up a specialized one-country collection containing not only the basic stamps but all the varieties of shade, perforation and watermark that may exist. Add to this some of the printing varieties and errors, and finally, demonstrate the postal history of the country concerned. The perfectly balanced collection then becomes a really worthwhile holding—whatever country is involved. Above all, it is the international appeal of the hobby that provides a worldwide market for a good collection, thus ensuring that philately will last even if stamps themselves fail to survive this age of mechanization.

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هكذا من الأصل

Can the Co-op
become more
business-like?
Page 29

■ **Stock markets**
FT Ind 444.9 up 1.3
FT Cls 68.25 up 0.55

■ **Sterling**
\$2.2800 up 2.45 cents
Index 73.2 unchanged

■ **Dollar**
Index 85.8 down 1.4

■ **Gold**
\$512.50 unchanged

■ **Money**
3-month sterling 16 1/2 to 17
3-month Euro \$ 12 1/2 to 13 1/2
6-month Euro \$ 11 1/4 to 11 1/2

IN BRIEF

£240,000 paid to Sir Fred Pontin by Coral

A £240,000 golden handshake was paid to Sir Fred Pontin by Coral Leisure Group which took over his holiday company two years ago, the group's annual accounts show. Sir Fred, who is 75, left Coral a year ago.

The company's auditors qualified the accounts because they had no access to certain subsidiaries' financial records which are held by the Metropolitan Police after last year's raids on Coral's four West End casinos.

Financial News, page 30

No comment on steel

A European Economic Community spokesman has reiterated the EEC Commission's condemnation of the anti-dumping suit filed by United States Steel Corporation against European steelmakers, but said he could not comment further on the Trade Commission's preliminary finding that the suit was justified.

£2m Bombay mill

Davy Ashmore India has won a £2m order to build an aluminium strip mill at Talaja, north of Bombay. It will be designed by Loewy Robertson, another member of the Davy Corporation, for Indian Aluminium, part of Alcan Group.

Dollar down in Europe

The latest round of cuts in United States interest rates depressed the dollar throughout Europe yesterday. Its effective index fell by 1.4 percentage points to 85.8 per cent of its December 1971 level. Sterling rose by 2.45 cents to \$2.28.

Opec agreement near

Ministers from member states of the Organisation of Petroleum Exporting Countries meeting in Saudi Arabia today for an extraordinary conference are confident they are within sight of agreement on a plan which would stabilise oil prices and protect long-term interests of the oil exporters.

Gatt priority

The General Agreement on Tariffs and Trade (Gatt) said in its 1979 annual report that top priority was being placed on the implementation of the Tokyo round agreements concluded last November.

Five job losses

Naim Floors, the five linoleum company, has dismissed 100 workers because of a drop in United Kingdom trade and plant conversion problems. The redundancies bring the street's job losses to over 2,000 in 12 months.

Glass sales dip

Sales of British-made glass containers fell slightly last year, partly because of the read haulage strike. However, soft drink bottle sales rose 4.5 per cent. Experts feel by 12 per cent but bottle sales increased by 0.5 per cent.

April wholesale price index gives hint of easing inflation

By David Blake
Economics Editor

Factory gate prices rose by 1.4 per cent in April, keeping the annual rate of increase in wholesale prices at the 19 per cent level recorded in March.

But the prices which industry has to pay for its fuel and raw materials rose by only 0.5 per cent, pointing to an easing of cost pressures later in the year.

This could enable industry to restore some of the profit margins which have been heavily eroded in recent months and may lead to an easing of inflationary pressures towards the end of this year, although the signs are that prices will go on rising rapidly well into 1981.

The wholesale price index covering manufacturing industry went up in April to 197.1 from a revised March level of 194.4. About half of this increase was due to higher government duties on drink and tobacco and the increase for which industry itself was responsible was only about 0.7 per cent.

The Government was also responsible for much of the increase in the costs which industry has to pay. Higher prices for electricity and gas, resulting from the Government's insistence on state-owned industries meeting financial targets, pushed up the index for coal, gas and electricity by 5.4 per cent.

This was more than enough to undo the beneficial effect of a 4 per cent drop in the price of raw materials bought

by manufacturing industries other than food, drink and tobacco.

During April the cost of raw materials was held down by the strength of sterling. Many of the raw materials used by industry are imported at prices quoted in foreign currencies, so the higher the pound stands, the less industry has to pay.

The Government is hoping that this and a general easing in world commodity prices will take the inflationary pressure off next year. But movements in wage costs are likely to be of key importance and there is no sign of a slowdown in these yet.

They have been rising relatively rapidly over the past six months, although government economists point out that manufacturing industry, which is exposed to international competition, has been negotiating smaller pay settlements than the service sector.

Wage cost account for about 70 per cent of price movements for the economy as a whole, so their impact is considerably greater than is the impact of raw material and fuel prices.

But the cost of raw materials — which has pushed up prices sharply in the past few months — ought to start working to lower the inflation rate from now on. The onset of the world recession is leading to a drop in all commodity prices and this is reinforcing the effects of the strong pound.

Table, page 25

British Shipbuilders' new chairman will take £7,000 pay cut

By Peter Hill
Industrial Editor

Mr Robert Atkinson has been appointed chairman of British Shipbuilders and will take up the post at the beginning of July.

The Government said Mr Atkinson who succeeds Admiral Sir Anthony Griffin. He will take a £7,000 cut in his present salary as chairman of Aurora Holdings, to take on the £44,000-a-year chairmanship for three-and-a-half years.

He has resigned from 26 other directorships but will remain part-time chairman of Aurora, the Sheffield-based steelmaking and engineering group, in order to preserve his pension rights.

Mr Atkinson has been with Aurora for the past eight years and has played a major role in the rationalisation of the special steels industry. He said that, unlike Mr Ian MacGregor who was appointed chairman of the British Steel Corporation last week, he would be joining BS "on a free transfer".

"As far as I am concerned, I am and always have been an intensely patriotic person. I have always served my country wherever and whenever required", he said.

Mr Atkinson will temporarily take over the post of chief executive which will become vacant shortly when Mr Michael Casey, a former civil servant resigns. However, he said he would be looking for a chief executive from within the industry.

Mr Atkinson said he would work towards developing a lean and efficient shipbuilding industry with improved levels of productivity and delivery performance. Yards would be accorded considerable autonomy



Mr Atkinson: Job security must be related to productivity.

in their operations but financial functions would be centralized.

Mr Atkinson is no stranger to the industry. Twenty years ago he was managing director of Doxford Engines (now scheduled to be closed by BS), and was managing director of Hanworth Engineering, a major marine equipment supplier.

Asked about the industry's present problems and the run-down of the merchant shipbuilding labour force he said: "I think that there are too many men making too few ships."

"We have to get more ships or reduce the number of men, and if you want job security it must be related to financial performance and productivity."

New chief's aims, page 26

NEB's Ferranti disposal as tension on the board's new role mounts

By Peter Hill
Industrial Editor

Preparations for the National Enterprise Board's disposal of its 50 per cent stake in Ferranti are expected to be completed by the end of next month.

Sir John King, deputy chairman of the NEB, said yesterday that progress on the disposal of Ferranti to the private sector was important in the examination of the board's portfolio of investments made necessary by the Government's change of role for the NEB.

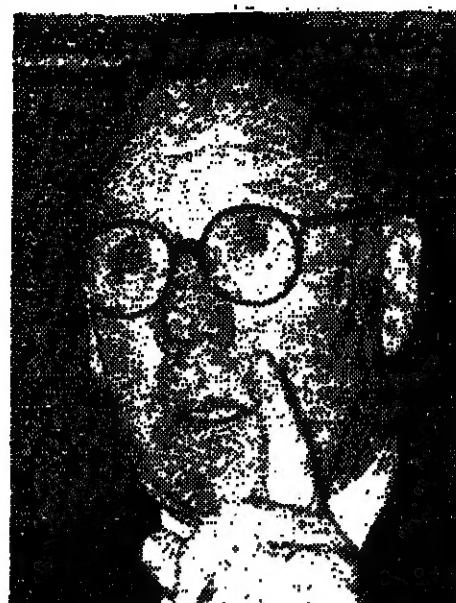
The board has already disposed of its interest in ICL for £37m and more recently reached agreement for the sale of its 100 per cent interest in Falvey Holdings. These disposals were originally linked to the Government's request that the board realized £100m from disposals in the last financial year, although the deadline was lifted.

Ferranti, which was among the prime candidates for sale last year, recorded a turnover of £192.06m and a pre-tax profit of £9.94m. The form of the disposal has not yet been determined although options will include the placing of the NEB shares or invitations to tender from potential bidders.

The Government's insistence on increasing the level of private sector involvement, having off the profitable interests and playing a catalytic role in high technology is proving a source of tension to Sir Arthur Knight, the NEB chairman, and his directors.

Sir Arthur was appointed after the resignation last November of the previous board in the wake of the Government's decision to take direct responsibility for monitoring Rolls-Royce's progress.

One particular problem concerns the NEB's present financial duty requiring it



Sir John King: Ferranti disposal important in changing the NEB's portfolio.

to secure a rate of return of between 15 and 20 per cent on capital employed. Last year the NEB made a pre-tax profit of £6.5m (excluding interests in Rolls-Royce and BL) before adverse extraordinary items of £17.2m lowered the return to only 4.5 per cent.

Sir Arthur said in the NEB's annual report, published yesterday: "The present form of financial duty laid down by Government can only make sense if the NEB maintains profitable investments as a

means of supporting its new projects during their start up and loss making years. We attach importance to having a proper commercial target, both for our own internal purposes and also as an objective test of our performance."

Discussions on a new financial duty to reflect the changing portfolio will take place shortly in view of the imminent enactment of the Industry Bill which is now before Parliament.

The continued absence of a decision on the future relationship between BL and the board is another source of concern. Sir Arthur reaffirmed in the NEB report his belief that responsibility for BL should be transferred to the Department of Industry.

"The magnitude of BL, its problems and its financial requirements means that Government must inevitably be closely involved in its major decisions, thus leaving for the NEB only a relatively minor intermediate role. We would gain nothing of substance by having this responsibility."

That view was endorsed by Sir John, deputizing for Sir Arthur at a press conference yesterday.

The NEB is frustrated by the lack of a decision from Sir Keith Joseph, Secretary of State for Industry, on granting a further £25m to Immos, the NEB-backed semiconductor company.

Decisions have been complicated by GEC's interest in taking a part or total stake in Immos. GEC has received detailed information from Immos from the NEB which now awaits a reply.

Financial Editor, page 29

Builders expect big profit margins of past two years to be eroded

By John Huxley

Building contractors have enjoyed two years in which output and tender prices have outstripped costs by between 25 and 35 per cent, it was disclosed yesterday.

However, this relationship will be reversed in 1980-81, according to the National Federation of Building Trades Employers (NFBE). It says in its annual report that public housing building cuts will drive more competition into other sectors of the industry.

The NFBE claims there is now a clear risk that a cyclical downturn in private sector demand will coincide with a sharp rise in public sector work. This will lead soon to a downturn in the industry's activity, output and employment.

At the same time, there are indications that labour and raw

material costs are again rising strongly. Earlier this year, for example, cement makers introduced a controversial 24 per cent price rise. Overall, building material costs are moving towards an annual inflation rate of about 20 per cent.

During the past 12 months, the builders have made strong representations to the materials suppliers on the damage that will be caused to the industry if material price increases are not constrained to meet new measures.

The NFBE has set up a Building Materials Advisory Group, including buyers from member companies, to offer advice on materials supply.

The report welcomes the Government's "honest and forthright approach" towards the underlying problems of inflation, incentives and enterprise. However, it criticizes the Conservatives for resorting to a "notorious and familiar ex-

pendent" of using cuts in planned capital expenditure as the economic regulator to meet public sector borrowing requirements.

This has hit civil engineers and builders active in the public sector most severely. Meanwhile, the latest state-of-the-art inquiry by the NFBE confirms the downward trend in new orders highlighted at the end of last year.

About 50 per cent of the 600 companies canvassed reported fewer inquiries for new work. Less than one-fifth reported receiving more. The most buoyant sector was repair and maintenance, which now accounts for about 36 per cent of all construction output.

The NFBE calls the outlook for the coming year gloomy, although it adds that the industry looks surprisingly resilient, with 43 per cent of companies working at full or almost full capacity.

Production engineers' institute critical of Finniston report

By Bill Johnstone

The Finniston committee of inquiry into engineering in the United Kingdom has been sharply criticized by the Institution of Production Engineers, which says it has not tackled the real problems facing manufacturing industry today.

The attack is contained in the institution's response to the committee's findings and submitted by invitation to the Department of Industry.

The institution, which has a membership of 16,764 engineers working in manufacturing and production at various levels of management, conceded that the Finniston Committee had identi-

fied a number of problem areas in the manufacturing sector but said that failed to recommend short term solutions.

One of the most important conclusions of the committee has been questioned by the institution. This is the establishment of an engineering authority to control the education and licensing of professional engineers.

According to the submission, the Finniston proposal for this central authority to "promote and strengthen the engineering dimension within the British economy" a good one but the method proposed is inappropriate to improving Britain's industrial performance.

On this the institution's submission like many others that have already been presented to the Department of Industry stressed that it did not accept the institution's view that the plight of the United Kingdom was attributable to engineers and their education.

The question of status among engineers and others in the manufacturing industries features prominently in the submission.

The production engineers believed that no United Kingdom degree was a better indicator of ability than qualifications derived from the professional bodies.

Sangers to close half of its branches

By Derek Harris,
Commercial Editor

Sangers Group, hit by heavy discounting in the wholesale pharmaceutical sector, is closing down half its wholesale pharmaceutical branches with a loss of 430 jobs.

Sangers, one of the four largest pharmaceutical wholesalers in Britain, which has been diversifying into the retail optical and wholesale photographic sectors, will show "significantly less" profit in the second half year when annual results come out later this month, Mr George Robinson, chairman of Sangers said.

Pre-tax profits slumped 40 per cent to £600,000 in the first half year to August 31 last year, but the effect of a breakdown in sales price maintenance in wholesaling of pharmaceuticals has taken a bigger toll in the rest of the year. The company plans to recommend an unchanged final dividend later this month.

Sangers is closing 15 of its 27 pharmaceutical wholesale branches, but it is opening two new ones in the London area and the North-west.

Mr Crawford Graham, the new chief executive at Sangers, said: "This reorganization will enable us to consolidate our

position in our traditional pharmaceutical market and take full advantage of further opportunities for profitable expansion."

Pharmaceuticals are expected to account for around 70 per cent of Sangers' turnover, but there are plans for expansion, particularly in the retailing optical sector where profits, already good, are reported to have increased further this past year.

Sangers have 72 optical outlets and are setting aside £2m for expansion, mainly by acquisition, with the aim of becoming the second largest British chain.

Counter bid for Liggett to thwart Grand Met

By Peter Wainwright

Standard Brands, the United States consumer products, drinks and food group has intervened in an attempt to protect Liggett, another American group in tobacco and drinks, from the \$45m (£160m) tender offer made by Grand Metropolitan, the United Kingdom conglomerate.

Grand Metropolitan's bid is opposed by the Liggett board which has been fighting the takeover through courts in North and South Carolina, Delaware and New Jersey.

In pursuit of its aim of getting a higher offer than Grand Metropolitan's \$50 a share, Mr Raymond V. Mulligan, president of Liggett, and Mr F. Ross Johnson, chairman of Standard Brands, said yesterday that the two groups had agreed for Standard to make a cash tender offer.

Standard is willing to pay \$65 a share for up to 45 per cent of Liggett's stock. In addition, Standard Brands' tender will include an offer for all Liggett's 7 per cent preferred stock at \$70 a share.

The two groups present a full offer, which will go out soon, is completed. The intention is for Standard to issue one share of a new convertible stock of Standard Brands for every remaining share in Liggett.

Standard Brands has long been mooted as a possible counterbidder to Grand Metropolitan. It is an international group, manufacturing a range of goods, including margarine, yeast, nut products, wines and spirits, confectionery and food ingredients. The mainstay of its operations in Britain is Walkers crisps and Planters peanuts.

In North America it is best known for Fleischmann's corn meal, its Blue Bonnet margarine and Smooth and Easy sauce and gravy makers. It also has Baby Ruth candy bars, Fleischmann's Preferred whisky and Souverain wines.

Last year it had a net income of \$86,355,000 (£37,545,630) from sales of \$2,613,274,000 (£1,136,086,900).

Liggett's latest tactic is only one of a long series of moves to stall Grand Metropolitan.

Mr Mulligan has already said that the talks with Standard were undertaken partly because Liggett's financial adviser, Merrill Lynch White Weld Capital Markets Group, had said that Grand Metropolitan's offer was too small. Merrill Lynch had also said that a liquidation of Liggett would produce over \$50 a share.

The Standard bid comes quickly after a victory for Grand Metropolitan in the United States courts. A New York court granted a temporary restraining order to the United Kingdom group against Liggett and its subsidiary, preventing them from disclosing confidential information about the distribution and sale of Grand Metropolitan's J & B Whisky.

Grand Metropolitan said last week it was suing Liggett and Fennell Richard which is planning to buy Austin Nichols, a Liggett company which Grand Metropolitan wanted.

Mr Raymond Mulligan was told of the proposed action in a strong letter from Mr Stanley Grinstein, joint managing director of Grand Metropolitan.

Grand Metropolitan also gave a warning to potential purchasers of Paddington by threatening to review the agreement under which it supplied J & B America's biggest selling Scotch whisky. The group has had some success in clearing legal obstacles put in its way by the Liggett board.

Moulinex

CONSOLIDATED RESULTS (in FF 1,000,000)				
	1979	1978	Differences	
Turnover	2 130.0	1 868.5	+ 261.5	+ 13.9%
Trading Profit	178.5	147.0	+ 31.5	+ 21.4%
Net profit (including minority interests)	80.1	69.1	+ 11.0	+ 15.9%
After depreciation totalling	130.4	120.7	+ 9.7	+ 8.0%
Net assets, including the profit for the year before distribution, after deduction of administrative expenditure and deferred charges, amount to ... of which minority interests ...	764.4	686.5	+ 77.9	+ 9.7%
	6.5	6.1	+ 0.4	+ 6.5%

Significant changes have been introduced this year in the methods used to draw up our consolidated results: They can be summed up as follows:

- The extra-accounting methods which made it possible last year to proceed from consolidated to trading results have been integrated into the financial statements.
- Taxation for the Group has been dealt with in accordance with international accounting rules, potential tax liabilities in particular now form part of the accounts.

In order to provide comparability, the figures for the financial year 1978 have been recalculated following the same methods.

SALES OF THE FIRST QUARTER OF 1980 (in FF 1,000)

A—NON-CONSOLIDATED	
During the first quarter of 1980, sales before tax amounted to ... as against ... for the first quarter of 1979.	438,893 425,415
I.e. an increase of ...	7.31%
Expert sales included in this figure totalled ... I.e. 63.5% of total sales, an increase of 2.7% over last year.	291,342
B—CONSOLIDATED	
Turnover for the first quarter of 1980 amounts to ... as against ... for the first quarter of 1979.	551,154 455,481
I.e. an increase of ...	20.2%

PRICE CHANGES

Rises

Antitoxic	1p to 6p	Methersart	14p to 25p
Documatin	18p to 530p	Municipal	20p to 520p
Feeder	4p to 37p	East Mine Prop	10p to 20p
Graham Hse	10p to 153p	Sangers	4p to 54p
Hawth	14p to 14p	Sun Alliance	15p to 611p

Falls

Anal To Nigda	1p to 15p	Massey-Ferg	10p to 325p
Bart & Hiltner	15p to 540p	Norton Simon	20p to 520p
Burt Boulton	10p to 178p	Welf Grp	2p to 28p
Guthrie Corp	15p to 757p	Wassco	6p to 58p
Marshall Univ	12p to 84p		

THE POUND

	Bank buys	Bank sells	Bank buys	Bank sells
Australia \$	2.11	2.04	Norway Kr	11.60
Austria Sch	30.50	28.75	Portugal Esc	113.00
Belgium Fr	69.75	66.25	South Africa R	107.00
Canada \$	2.74	2.67	Spain Pta	164.50
Denmark Kr	13.20	12.65	Sweden Kr	9.52
Finland Mk	8.85	8.46	Switzerland Fr	3.96
France F	9.50	9.40	USA \$	2.33
Germany DM	4.24	4.02	Yugoslavia Dnr	61.50
Greece Dr	97.00	10.55		
Hongkong \$	11.40	11.10		
Ireland P	1.14	1.10		
Italy Lira	1985.00	1296.00		
Japan Yen	589.00	534.00		
Netherlands Gld	4.69	4.46		

Ex-Bank governor says doubts are arising about membership

Italy's retiring 'CBI' chief wants EMS change



Signor Guido Carli: will remain faithful to vision.

Doubts about Italy's prospects in the European Monetary System were voiced by Signor Guido Carli in his last speech as president of Confindustria, the confederation of private industry, before his resignation to Signor Vittorio Merloni, his successor.

Signor Carli, for many years governor of the Bank of Italy, said the Italian economy was increasingly dependent on the international market, yet its room for manoeuvre had been narrowed by membership of the EMS. "Doubts are beginning to arise about the wisdom of accepting the links imposed by EMS membership", he stated.

But even if the EMS had failed in its objective of creating a European currency area immune from the repercussions of United States men-

tary policy, he hoped "that we will remain faithful to the vision of that time".

Criticising the falling share of funds allocated over the years by the state-owned medium term credit institutes to the Mezzogiorno and to small companies, Signor Carli added that there were still "areas of profound misery" in the country, and the credibility of the government class depended on its ability to eliminate this.

Equally critical was Signor Merloni, aged 47, an industrialist whose medium-sized family company makes domestic appliances in the Ascona area under the brand name of Arizono. Italy would not be able to meet the challenge of the 1980s with its present system of schools, state and factories, he said.

Schooling was increasingly

abstract and standardized, bringing a growing lack of skilled personnel. As for the state, industry needed modern structures of government as in other European countries.

To increase productivity, it was not enough for companies to buy new machinery. Progress depended increasingly on the provision of services.

Companies needed better trained staff, and a labour force which was mobile. Signor Merloni expressed anxiety at the amount of public money being spent on public sector firms.

What the system needed, however, was not support of firms on the verge of collapse, but encouragement for companies which could lead the

The Charterhouse Group 1979

Mr Nigel Mobbs reports

In my statement last year I forecast that profits for 1979 would be little changed. In fact, the year on year improvement at the pre-tax level, excluding the bank, is just under 10%. The improvement in attributable profit includes the benefit of higher oil revenues, improved profits from Charterhouse Japhet, lower profit attributable to minority interests and a considerably reduced tax charge.

The attributable profit after taxation of £8,824,000 for the year ended 31st December 1979 showed an increase of 37% over that for the comparable twelve months of 1978, and earnings per share increased by 34.8%.

Dividend

The Directors are recommending a final dividend of 2.5 pence per share, which when aggregated with the interim payment, amounts to 4.1 pence per share - an effective annual increase of 11.1%.

Results in brief	£ million	1979	*1978	1978
		12	12	15
		months	months	months
Profit before interest (excluding the bank)	18.6	15.6	18.7	
Profit before taxation (excluding the bank)	10.3	9.4	11.4	
Profit of the bank after tax and transfer to inner reserve	1.4	0.8	0.9	
Attributable group profit after taxation	8.8	6.4	7.8	
Earnings per ordinary share (pence)	9.25	6.86	8.276	
Dividends per ordinary share (pence)	4.10	3.69	4.613	

*Unaudited figures for the 12 months ended 31st December 1978

The main features of the year's results are:

- Very satisfactory improvements in results from both the banking and development capital activities.

- A continued strong performance by Spring Grove provided the basis during the latter part of the year for a very successful flotation by way of tender offer to the Group's shareholders and 60% of the issued capital of this company is now in the hands of the public. More than £10 million was raised, so strengthening the Group's balance sheet, improving its gearing and providing resources for new investment. The flotation in 1979 is the culmination of a long and successful relationship and is a good example of the Charterhouse philosophy of helping companies grow to a stage where they are large and strong enough to become independent.

- The first substantial contribution from the Group's investment in the Thistle Field; Charterhouse Petroleum Development, which early in the year increased its stake in the Thistle Field to 2.3%, produced profits of £3.4 million compared with a figure of only £653,000 in the previous year. Future prospects appear to be excellent.

- A strong recovery by Charcon Products, although this was partially offset by a substantial reduction in the contribution from Newage Engineers, which suffered from lower demand in its international markets.

- Glenwill Enthoven was affected by increased international competition in insurance broking, over-capacity in the market and the high value of sterling.

Future prospects

The Group is now a broadly based investment and banking group, offering a wide range of financial and equity support to commerce and industry. As an investment and banking group, Charterhouse will continue to assist the prosperous development of small to medium sized businesses and its financial resources will continue to be re-invested in new opportunities.

The Group is increasing its spread of investments and financial activities and, subject to no unforeseen circumstances, looks forward to a better year for profits, which should again be materially assisted by increased oil revenues, even though such profits are more highly taxed than other profits.

NIGEL MOBBS, Chairman



The Charterhouse Group is an investment and banking group listed on the Stock Exchange, London, with shareholders' funds of £70 million and total capital employed of £105 million. More than 30% of profits arise from exports and overseas earnings.

The Group's strategy is to invest in businesses with the object of improving their profitability and future prospects. Many of the subsidiaries of Charterhouse have been developed from small beginnings and are now successful and mature enterprises. Opportunities to enhance the further development of these companies by the allocation of additional resources or by the introduction of additional partners or shareholders, or by flotation if appropriate, are always under active consideration.

Charterhouse aims to achieve a balanced investment portfolio, earning an improving return on capital in which risk, profit and capital requirements are balanced, so limiting exposure in individual market sectors, companies and geographical locations.

Copies of the Annual Report of The Charterhouse Group Limited are obtainable from: Group Communications Department, The Charterhouse Group Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone 01-248 3999.

British Shipbuilders' new chairman spells out his objectives for reviving the state corporation

Mr Robert Atkinson, British Shipbuilders' new chairman, has spelled out his objectives for his three and a half year stint at the loss-making state shipbuilding corporation.

Mr Atkinson, small and quietly spoken like Mr Ian MacGregor, his recently appointed but infinitely more controversial state industry colleague at the British Steel Corporation, fits perfectly the specification laid down by Sir Keith Joseph, Secretary of State for Industry, to carry through the Government's industrial policies in the nationalized sector.

A successful private sector businessman with some merchant banking experience (he was with Keyser Ullman for three years) and above all with knowledge of the industry, Mr Atkinson takes over at BS as full time chairman and chief executive on July 1.

The tasks he faces are considerable in an industry desperately attempting to weather the storm of an international shipbuilding recession and seeking to become competitive within tightly drawn Government cash limits.

BS lost £100m last year and some prompt and effective action will be needed if the corporation is to secure ministerial support and more cash beyond the present deadline of the middle of next year. Mr Atkinson joins BS at a time when Whitehall is already well advanced with preparatory work for the eventual "privatization" of the industry—a policy which he strongly supports.

The chairman-designate yesterday emphasized his faith in the future of shipbuilding and left no doubt that he would pursue the objectives of establishing a strong and viable industry. That is nothing new as

an objective and as he frankly admitted every shipbuilding industry in the world was subsidized to some degree.

But Mr Atkinson looks set to take the pruning shears to the corporation, pretty quickly. Surplus land and buildings will be a priority area for his attention as a means of reducing capital employed and the consequential interest burden.

"I would rather sell off pieces of land and buildings than face a man and make him redundant," he explained. Mr Atkinson was suitably conciliatory towards the industry's unions who already are rumbling ominously over the Government's plans to introduce private capital.

The new chairman is anxious to build on the improved industrial relations climate by extending to the state sector the cooperation and mutual understanding which has stood him

in good stead during a lifetime in private industry.

Mr Atkinson has left ministers in no doubt that if he is to succeed he must be given a free hand and a period of stability if the Government's objectives and his own for achieving a better financial performance are to be realized.

One of the key elements will be to develop closer links between the shipbuilding industry and British shipowners. The volume of orders placed by United Kingdom owners with foreign yards in recent years has always been a sore point, and Mr Atkinson should not underestimate the difficulties of ensuring a bigger share for BS.

As he understands only too well, that will only be achieved over a period of sustained levels of quality and prompt delivery.

Peter Hill

Road hauliers' chairman calls for tough stand on secondary pickets

By Michael Bailey

Transport Correspondent

The Government is being pressed by the Road Haulage Association to take a tough stand against secondary picketing. Mr John Silbermann, the RHA chairman disclosed last night.

Hauliers have been badly hit by recent major disputes in other industries, and the steel strike alone caused three months' idleness for 10,000 lorries (a capital investment of £200m) and above all with the permanent loss of customers and threats of victimisation from steel unions afterwards, he told Mr Norman Fowler, the Minister of Transport, and other guests at the association's annual dinner in London.

"The Government is making progress, but it seems to me that this progress is slow," he said. "It appears to lack action and falls short of the promises in its pre-election manifesto."

"That manifesto said that the protection of the law should be available to those not concerned in a dispute. It also said that further changes would be made so that a citizen's right to work and go about his lawful business free from intimidation and obstruction would be guaranteed. Unless these conditions are created now, industrial strife will continue."

Among the Association's 15,000 member companies opinion was hardening in the debate over how far the Government should go in reforming employment law, and the RHA had represented to the Government that trade union immunity should be confined solely and only to primary action.

"Historically, trade union power has grown and such power still flourishes largely unabated. Secondary picketing is perhaps the most crucial area of trade union reform, and is certainly the area most

earnestly awaited by the road haulage industry." Mr Fowler said the Government was determined to achieve a fair legal framework to prevent a sort of widespread disruption of industry which occurred in 1979 under the Labour Government's industrial relations legislation. The Employment Bill now before Parliament contained provisions which would certainly have made unlawful the secondary picketing seen in the recent steel dispute.

The Government totally rejected any direction of freight from road to rail, Mr Fowler said. It was not the Government's job to decide how the customer should send his goods; it was the consumer himself who was in the best position to choose between transport modes. Direction of freight could only deny that decision and add a new bureaucracy to replace the choice of customer.



Mr Norman Fowler: Government determined to be fair.

Business appointments

Vickers names director

Mr Tom Baugh has been made managing director, Vickers Limited Defence Systems Division, Elswick Works, Newcastle upon Tyne. He takes over from Mr Peter Crowther who remains as chairman of Vickers Defence Systems and is also a member of Vickers Limited Engineering Group board and chairman of Elswick Works local board.

The Civil Aviation Authority has appointed Mr J. A. E. Thompson to the post of chief surveyor, Airworthiness Division. He succeeds Mr Don Guilbert who retires at the end of June.

Mr Douglas Dunn becomes managing director of Fleetway Semi-conductors.

Mr Jon B. Chaplin is now joint secretary of the General Electric Company (GEC).

Mr Peter Turner has been appointed by James Clark & Easton as divisional director with the special responsibility of a group marketing director.

Mr E. Peter Gush, president and chief executive officer of Hudson Bay Mining and Smelting Co., replaces Mr R. R. Fraser as chairman. Mr Gush will continue to be president and chief executive officer. Two new directors on the board are Mr J. Neil Clarke and Mr Vernon Van Sant, Jr.



Mr Tom Baugh: takes over at Vickers in Newcastle.

Mr G. M. T. Howe, Mr T. R. W. Woodall, Mr J. W. O'Connell, P. N. Downings, Mr P. T. O'Neill are now partners of Clifford-Turner.

Mr Diarmuid Moore has been appointed head of the new international division to be set up by Allied Irish Banks.

Mr K. W. Bowdler and Mr T. S. Morgan become directors of J. Hepworth & Son.

Mr H. Sweeney has retired from the board of Distillers Co.

Mr D. R. Elder and Mr J. A. Stewart have been made non-executive directors of Whessoe.

Mr Alan Liddle succeeds Mr George Williams as chief executive of Christie Tyler. Mr Williams remains as executive chairman.

Mr Victor Wood is the new chairman of Harman, Redley Agencies. He replaces Mr James Redgrave who remains on the board.

Mr P. J. Concoran becomes a director of Brinton Hill (UK).

Mr Philip Appleyard has been made associate director (fisheries) of Wimpey Appledore.

Mr D. G. Jeffries becomes chairman of the North Atlantic Westbound Freight Association in succession to Mr W. Neighbour who resigned on March 31, 1980.

Mr Jeffries has left the chairmanship of Scandinavian Baltic US North Atlantic Westbound Freight Conference where he is succeeded by Mr M. J. Parke.

Mr Leslie Rees is to be the first director general of the Association of British Mining Equipment Companies.

Dr Saad Abadi is appointed manager of the London branch of Bank Mellat and area director United Kingdom and Mediterranean.

Denmark discloses content of £1,000m economic crisis Bill

From Christopher Follett

Copenhagen

Mr Anker Joergensen, the Danish Prime Minister, yesterday elaborated on a new 20-point, 13,000 kroner (about £1,000m) economic crisis Bill in the Folketing (parliament).

The Bill is aimed at cutting consumption, restricting unemployment, improving exports and reducing the Danish balance of payments deficit which last year reached 15,600 kroner (about £1,200m) and is still rising.

The new package will have its first reading later this week. The basis of the plan is formed by tax increases of 5,000 kroner (400m) and public spending cuts of 8,000 kroner (650m). State revenue of 5,500 kroner (450m) will be used to help Denmark's ailing export industries and check unemployment, which is at a record 6 per cent.

The new taxes involve hefty increases on electricity, fuel oil and petrol. Value Added Tax, which is now at 20 per cent in Denmark, is to be raised to an undifferentiated 22 per cent. The rise will become effective July 1.

Compensation to protect old aged pensioners from the worst effects of the price rises are included in the package. Plans to impose a temporary state tax on property, increase road taxes on cars, and perform measures for pensions, have been dropped.

Similarly, a controversial plan to transfer 5,000 kroner (400m) from pension funds and insurance companies into investment capital for industry has been shelved, pending the findings of a special government commission set up to study the feasibility of such a scheme.

According to Ministry of Finance calculations, the new package is expected to stabilize Denmark's balance of payments deficit at about 16,000 kroner (£1,250m) this year, reducing it to 12,400 kroner (£1,000m) in 1981, and gradually over the subsequent years achieving balance by the end of the decade.

Although Mr Joergensen insists that his belated "Easter egg", as the package is nicknamed, will be sufficient for 1980 and 1981, experts fear that further drastic economies may be necessary during this time.

Mr Erik Hoffmeyer, the governor of the National Bank, has criticized the "Easter egg" as not sufficiently drastic to prevent a further deterioration in the balance of payments. Economic experts are already predicting the need for another strong dose of economic medicine for Denmark in the Autumn.

Mr Joergensen's seven-month Social Democratic minority Government finally won the support of three small centrist parties after negotiating since Easter. The parties are the Christian People's Party, the Democrats and Radical Liberals.

Canada oil find likely for Mobil

Mobil Oil Canada, the operator for a group of companies drilling off the eastern coast of Canada has encountered hydrocarbon shows at a depth of about 14,860 feet in the Hibernia 0-35 appraisal well off Newfoundland.

A 14-foot core was taken between 14,871 and 14,885 feet indicating the possible presence of oil.

Drilling is proceeding to determine the extent and significance of the show after which electric logs will be run, but this may be held up by bottom hole deflection.

The Hibernia B-66 appraisal well is drilling at a depth of 9,247 feet towards its projected total depth of 16,000 feet and the Ben Nevis 1-45 wildcat test on a separate structure is drilling at 13,951 feet towards its projected depth of 18,500 feet.

Gatt priority

The General Agreement on Tariffs and Trade (GATT) said in its 1979 annual report that top priority was being placed on the implementation of the Tokyo round agreements concluded last November.

Prices up 15 per cent

Retail prices in France increased by 1.4 per cent in April, bringing the year-on-year rise to 15.3 per cent, according to figures from the French trade union organization, the Confédération Generale du Travail.

UK footwear makers seek action against Brazil

By Derek Harris

Commercial Editor

A new surge in Brazilian imports of what are claimed to be unfairly priced quality leather-upper footwear has led to a formal application by British manufacturers for action against Brazil under article 19 of the General Agreement on Tariffs and Trade.

The Government is now considering whether to pass the case to the European Commission for this action on grounds of distortion of trade.

The British Footwear Manufacturers' Federation has acted because of mounting redundancies and a sharp increase in short-time working in the industry, which has been hit by import penetration of around 53 per cent, the highest figure so far recorded. This compares with a March figure last year of 49 per cent penetration, much of the difference being made up by the increases in Brazilian imports.

In the first three months of this year Brazil sent in 1.2 million pairs of footwear, compared with a 1979 total of 3.2 million. In the first two months of the year the Brazilian imports rose 11 per cent, but although the rate of increase eased in March, the British manufacturers fear a doubling of the 1979 total this year unless action is taken.

Already Brazil has moved up to become Britain's fifth largest foreign supplier. The manufacturers' federation had originally been exploring with the Government the possibility of countervailing duties being imposed, because Brazilian footwear makers are claimed to be escaping the effects of a 30

per cent export tariff which the Brazilians last year placed on supplies of finished leather to world markets.

This gave the Brazilian industry effectively a subsidy of at least 15 per cent, the British makers claim.

But the British manufacturers have acted on the basis of article 19 because the Brazilian move was unprecedented and presents difficulties in applying countervailing duties. They also want speedy action because mounting redundancies, which already this year have risen 1 some 1,500 spread over about 40 companies. Short-time working has also risen, to affect more than 10 per cent of 73,000 in the industry.

The manufacturers' federation is also pressing for the European Commission to notify reduced import ceilings to Poland and Czechoslovakia where in the first three months of this year imports grew between 40 and 50 per cent compared with the same period last year. Imports from Portugal have also risen 47 per cent in the first three months.

But the industry is being encouraged by a sustained growth in British exports, particularly those to EEC countries which now take some 65 per cent of British footwear export volume exports rose 39 per cent overall compared with the same period last year. Exports to West Germany doubled as those to the Netherlands almost so.

Manufacturers' deliveries to the retail trade and the set of retail orders are still depressed because of over stocking, although retail sales are relatively good.